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NEWS SUMMARY

GENERAL

Polish party plans reforms

Far-reaching political and economic changes were envisaged in a draft programme published by Poland's Communist Party. Many of them fly in the face of orthodox thinking in Eastern Europe.

The programme will be considered by the Party Congress in July. If fully implemented *it will lead to decentralisation* of economic decision-making and more democracy inside and outside the party. **Page 2**

Magazine banned

The import to the UK of copies of Die Aktuelle magazine was banned by Trade Secretary John Biffen. The magazine contains alleged transcripts of three telephone conversations between Prince Charles and Lady Diana Spencer, published in defiance of a West German court order.

Ripper protest

During the Yorkshire Ripper trial English Collective of Prostitutes supporters demonstrated outside the Old Bailey. They protested against the case's handling by the court, police and media and said the *Attorney-General had drawn a* distinction between prostitutes and respectable women. Defendant Peter Sutcliffe's defence opens on Monday.

Tory platform

The Tories will fight the next *General Election on a platform* of lower taxation, stable prices and industrial peace, Prime Minister Mrs. Thatcher told the Scottish Tory Party conference in Perth. **Back page**

Dutch missiles

Any Dutch coalition likely to emerge from this month's General Election will not approve the stationing of 48 Cruise missiles in The Netherlands, three major parties—Centrist Christian Democrats, Labour and Social Democrats—said.

Bank charges rise

Midland Bank will increase charges on personal accounts from June 6. **Page 3**

EEC for Chunnel

The European Parliament, calling on the Council of Ministers to fund a common transport policy and improve cross-border links, supported EEC funding for the planned cross-Channel tunnel.

Sun cuts price

The Sun newspaper will reduce its cover price by 2p, to 10p, from Monday. **Page 3**

Brixton bill

Claims totalling £1,264,333 have been made for damage sustained in last month's Brixton riots, the Home Office said.

Forgeries seized

Flying Squad officers seized 400,000 "first quality" forged £5 notes with a face value of £2m, and sophisticated equipment, in a raid on a Wanstead, East London, house. Seven men are helping police inquiries.

Briefly . . .

Queen Mother received the freedom of the Royal Borough of Windsor and Maidenhead.

Quads were born to a Co. Armagh woman at Portadown.

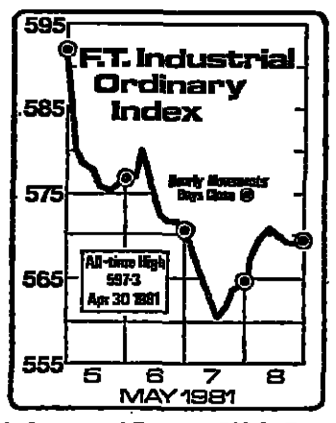
U.S. Grand Prix (East) cancelled by the International Motor Sport Federation.

Papua New Guinea Premier Sir Julius Chan begins an official *visit to the UK, Belgium,* France and the Vatican.

BUSINESS

Equities up 4.7; £ adds 1.3c

● **EQUITIES** reversed their downturn. The FT 30-Share



index was 4.7 up at 569.3. **Page 22**

● **GILTS** were also firmer. The Government Securities index put on 0.29 to 67.03. **Page 22**

● **DOLLAR** was down to DM 2.2530 (DM 2.2730), SwFr 2.0525 (SwFr 2.0760) and Y217.5 (Y217.9). Its trade-weighted index fell to 104.6 (105.0). **Page 21**

● **STERLING** put on 1.3c to $2.1165, but weakened to *DM 4.77 (DM 4.7850) and* FFr 11.2925 (FFr 11.3050). Its trade-weighted index was unchanged at 98.9. **Page 21**

● **GOLD** rose $10 to $488.5. **Page 21**

● **WALL STREET** was down 1.35 to 977.04 *near the close.* **Page 18**

● **OCCUPATIONAL PENSIONS** Board recommended better protection of pensions rights of employees changing jobs. **Back Page.** National Association of Pension Funds rejected for the second year running a draft code of practice covering participation of pension scheme members in the running of their fund. **Page 3**

● **MONETARY POLICY** report from the all-party Treasury committee of the Commons was strongly criticised by Dr. Alan Budd of the London Business School, a former adviser to the committee. **Page 22**

COMPANIES

● **FARRINGTON STEAD,** the Manchester investment management group that figured in the collapse of the stockbroking firm Hedderwick Stirling Grumbar is to be investigated by the Department of Trade.

● **NATIONAL BANK** of Australasia formally announced a A$391m ($450m) bid for the Commercial Banking Company of Sydney, one of its fellow trading banks. **Page 19**

● **COMMON BROTHERS** reached an advanced stage in negotiations to buy an 80 per cent stake in a drill ship and a 35 per cent interest in a liquefied petroleum gas tanker from a company controlled by Mr. Kristian Siem.

● **BARRATT DEVELOPMENTS,** the UK-based housebuilder that recently expanded into residential development in the U.S., launched a £21.7m rights issue. **Page 16; Lex, Back Page**

● **WHESSOE,** engineering group, recorded pre-tax profits up from £44,000 to £1.15m for the half-year to end-March on sales up from £18.39m to £26.65m. **Page 16**

● **YOUGHAL CARPETS,** the Irish carpet manufacturer, spinner and dyer, reported a 1980 taxable loss of I£2.55m against a profit last time of I£166,000. **Page 16**

● **VAUX** Breweries increased pre-tax profits for the 24 weeks to March 14 from £2.73m to *£3.42m on turnover of £36.85m* (£40.8m). **Page 16**

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES					
Exchqr. 14pc '84	£101⅞	+ ⅛	Polly Peck	288	+ 13
Exchqr. 12¼pc 1990 (£40 pd.)	£35¾	+ ⅜	Renwick	86	+ 6
BICC	239	+ 9	Rosehaugh	308	+ 18
Breedon Cloud Lime	114	+ 9	Rothmans	68	+ 3½
Brit. Car Auction nil paid	18½pm	+ 5½	Stand. Telephones	485	+ 25
British Sugar	315	+ 12	Sterling Credit	13	+ 2
Brown (M.)	180	+ 8	Tricoville	76	+ 8
Clayton Son	84	+ 7	Trust Secs.	364	+ 24
Cmrcl. Bk. Aust.	285	+ 45	Watman Rve. Angel	130	+ 13
Cmrcl. Bkg. Sydney	360	+ 120	Whessoe	113	+ 17
Cornell Dresses	151	+ 8	BP	400	+ 12
Dixons Photographic	182	+ 12	Global Natural Res.	980	+ 70
Dunlop	78	+ 3	Intnl. Pet.	335	+ 48
Fisons	168	+ 9	LASMO	602	+ 22
GKN	178	+ 6	Shell Transport	392	+ 8
Hawker Siddeley	328	+ 6	Ultramar	462	+ 19
Ladbroke	320	+ 9	Middle Wits.	720	+ 40
London Pavilion	900	+ 200	RTZ	554	+ 26
MK Electric	225	+ 10	FALLS		
			Barratt Develpmnts.	224	− 8
			Vaux	176	− 5
			East Daggafontein	142	− 10

Sperry Univac and ICL discuss merging UK interests

BY GUY DE JONQUIERES

SPERRY UNIVAC, of the U.S., is discussing with ICL a proposal to merge the two companies' operations in Britain. But Sperry also wants, as part of the deal, to acquire control of much of ICL's extensive marketing and support network abroad.

ICL would not comment on the Sperry proposal yesterday. But it is likely to resist vigorously any move to give up part of its overseas operations, which last year contributed 44 per cent of its £715.8m turnover.

Sperry said the talks were still preliminary and that it did not expect to table any firm proposals until next month. But it envisaged taking a minority stake in the proposed joint venture in Britain, with ICL owning a majority.

If the plan went ahead, ICL's present and future products would continue to be developed and manufactured in Britain. Sperry pointed out it had similar joint ventures in other countries.

ICL's UK business last year totalled about £470m. That is more than double the £205m revenues earned in Britain by Sperry from activities which include, as well as computers, farm machinery, guidance and control equipment and fluid power systems.

Sperry Univac, the group's computer division, has worldwide sales of about £2.7bn. But it has only a small share of the British market—ICL has about 35 per cent—and is the only big U.S. computer manufacturer to have no production plant here.

Sperry would not refer specifically to its plans for ICL's overseas operations, beyond saying that it envisaged a series of joint ventures.

It is understood to be particularly interested in taking control of ICL's sales and support network in Western Europe, and possibly in other parts of the world as well. The future of ICL's U.S. manufacturing activities—acquired from Singer in the mid-1970s—is uncertain.

Sperry broke its silence after two other American computer companies—Control Data (CDC) and Burroughs—had confirmed that they were holding talks with ICL to try to help it out of its serious difficulties.

All three American companies have denied that they are interested in an outright takeover of ICL, which would in any case be likely to meet Government resistance. However, CDC has said that it might take a minority stake in the company.

CDC, which has long had close links with ICL and is one of its major suppliers of computer peripherals, said yesterday that it was still considering its response to Sperry's announcement.

ICL appears uncertain whether any of the American proposals offers a serious prospect of assisting its recovery. There were indications yesterday that it may renew its efforts to forge links with other European groups, such as Siemens and Nixdorf, of West Germany, and Saint-Gobain-Pont-a-Mousson, of France.

The British Government is divided. The Industry Department would like to inject new management into ICL and give it further support, in the hope that it can negotiate alliances with other UK and continental companies. But the Treasury is baulking at giving the company any further public funds.

Left v moderate battles start among poll victors

BY ROBIN PAULEY AND RICHARD EVANS

AS THE Conservatives counted the cost of their local election losses yesterday, the Labour victors in the major cities set about a Left versus moderate battle for control of their winning factions. The Left scored an immediate success in London.

Within hours of the results which put Labour into control of all the major urban centres of England and Wales the Left won the leadership contest in London and swept the board for committee chairmanships on the Greater London Council.

Mr. Michael Heseltine, Environment Secretary, warned *that the advance of the Left* could herald rising confrontation betwen central and local government.

In London Mr. Andrew McIntosh, the moderate Labour leader who steered his party to a narrow eight-seat victory, was deposed by Mr. Kenneth Livingstone, a full-time Left-wing councillor.

Mr. McIntosh refused to accept any committee chairmanship and will retire to the backbenches. Another moderate, Mr. Illtyd Harrington, was elected deputy leader with all the other top jobs going to the Left.

This means the Labour-led Inner London Education Authority is also likely to fall to the Left today after being led by Sir Ashley Bramall, a moderate, for 11 years. This could cause the Government, which is unhappy about the structure and running of the ILEA, to review its future again.

Similar battles for control of Labour groups are now expected in other areas won by the party. The West Midlands County Council changed hands with a

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What happened and why, Page 14

ELECTION RESULTS (54 councils contested)

	Total	Gained	Lost
Cons	19	0	24*
Lab	21	15	0
Lib	1	1	0
Ind	4	0	0

LABOUR GAINS: Greater London, West Midlands, Merseyside, Greater Manchester, West Yorkshire, Northumberland, Cumbria, Cleveland, Lancashire, Humberside, Nottinghamshire, Derbyshire, Staffordshire, Avon, South Glamorgan.

LIBERAL GAIN: Isle of Wight.

CONSERVATIVES LOSE control leaving no overall control: Cheshire, Shropshire, Leicestershire, Warwickshire, Northamptonshire, Bedfordshire, Gloucestershire, Berkshire.

*Figure affected by councils where no party has overall control.

Volvo set to buy White Motor

BY IAN HARGREAVES IN NE WYORK AND WILLIAM DULLFORCE IN STOCKHOLM

VOLVO, THE Swedish motor and engineering group, is to buy the truck manufacturing business of White Motor, the U.S. company which has been in bankruptcy since September.

The two companies said the value of the proposed transaction was "significantly below the book value of the assets," but neither would be more specific.

In its 1979 accounts, White's entire book value was about $230m (£107m) since when the company has sold its Canadian business and various other minor assets for an estimated $30m. On this basis, Volvo would appear likely to be paying about $100m.

White's truck sales in the U.S. last year amounted to about $400m, although no figures have yet been published for this period.

Mr. Anders Svedberg, Financial director of the Volvo truck corporation, said the acquisition would allow Volvo to carry out its long-term strategy of manufacturing in the U.S.

It would also give Volvo access to a range of trucks adapted to the special requirements of the U.S. market for long-haul vehicles, and which complemented Volvo's own truck exports.

Mr. Svedberg said Volvo's agreement with Freightliner, the truck manuacturing subsidiary of Consolidated Freightways, for distribution of Volvo's medium-sized trucks in the U.S. was still in force but would probably cease after the purchase of Freightliner by Daimler Benz of West Germany. Earlier this year, Freightliner was a bidder for White.

Volvo sold 1,020 trucks, worth about $32m, in the U.S. last year. Exports from Europe would be continued and combined with the sale of White trucks, Mr. Svedberg said. Volvo components might be incorporated in the White trucks

Volvo last year manufactured 30,200 trucks, 25,500 of them were over 16 tonnes. In that heavy class, Volvo is the third largest manuacturer in Europe.

The Volvo announcement ends years of speculation and negotiation about White's future. The company at various times has been regarded as an acquisition target of Daimler-Benz, MAN, and Consolidated Freightways.

In spite of White's financial crisis and bankruptcy, the company has managed to hold on to most of its share of a reduced market in recent months.

In the first two months of this year, White accounted for 6.7 per cent of all class eight—heavy-duty truck—sales in the U.S., down from 6.9 per cent in the same period of 1980.

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For latest Share Index phone 01-246 8026

Gencor seeks to wind up St Piran

BY JOHN MOORE

GENCOR GROUP, South Africa's second largest mining company, has instructed its solicitors to present a petition to wind up Saint Piran, the controversial UK-based tin mining and housebuilding group, on "just and equitable grounds."

The group said that it was taking its action because it did not "believe that what has gone on in Saint Piran is good for the mining industry."

The surprise move by Gencor, a small shareholder in Saint Piran since 1979, came on a day which had already seen the *Stock Exchange take further* steps to curb the influence of Mr. Jim Raper, a former chairman of Saint Piran, in the affairs of publicly quoted companies, by suspending the shares of two Saint Piran subsidiaries.

Mr. Raper's master company, Gasco Investments, is making a *60p per share offer for Saint* Piran through a Netherlands-based subsidiary. The bid is going ahead despite a ruling by the Takeover Panel last year, after a detailed investigation, that an offer of 85p per share should be made.

It became unconditional after midnight yesterday, at which point Saint Piran and the two publicly quoted subsidiaries—South Crofty, a Cornwall-based tin mine, and Milbury, a housing development company—passed into Gasco's legal control.

The Stock Exchange suspended the shares of South Crofty at 24p and Milbury at 66p, saying that it "considers it undesirable that a company having securities listed on the Stock Exchange should be under the ultimate legal control of Gasco and Mr. J. J. Raper."

Later yesterday, Gencor entered the fray. Gencor holds 70,000 shares in Saint Piran through a subsidiary company. Through its Union Corporation subsidiary, it holds a stake of over 17 per cent in Geevor Tin Mines, another Cornish tin mining group based near Lands End.

Its initiative, planned in detail this week but discussed before the publication of a critical Department of Trade report into the affairs of Saint Piran in mid April, follows an option suggested by Mr. John Biffen, the Trade Secretary, that shareholders could always peti-

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£ in New York

	May 7	Previous
Spot	$2.1085-1100	$2.1140-2.1150
1 month	1.40-1.50 pm	1.16-1.26 pm
3 months	3.85-3.95 pm	3.70-3.80 pm
12 months	10.45-10.65pm	10.20-10.40 pm

British Gas fight to keep oilfield riles Government

BY ELINOR GOODMAN, LOBBY CORRESPONDENT

THE long-running dispute between the Government and the British Gas Corporation over the future of its oil interests is coming to a head. It threatens to be the biggest row yet over privatisation.

The Department of Enefgy is looking at ways to force British Gas to dispose of its 50 per cent interest in the lucrative Wytch Farm oilfield in Dorset, in light of British Gas's refusal so far to agree to open up its other non-gas interests to private investors. In total, the share could be worth between £100m and £200m and British Gas is expected to do all it can to hold on to it. It owns the field jointly with BP.

British Gas is also likely to be told to sell its 900 showrooms — a proposal it will strongly oppose. No final decision has been taken but there seems to be a general agreement among the Ministers concerned that the showrooms should be sold. What is still at issue—and is causing some friction between Departments — is the rate at which the sale should proceed.

British Gas's reluctance to divest itself of any of its interests has become a major source of irritation among Ministers. They are looking for new ways of moving their privatisation programme forward. Within the past few weeks the corporation appears to have again turned down a Department of Energy scheme for hiving off its oil interests—Beryl, Fulmar, North West Hutton and Montrose, and possibly Wytch Farm—to a separate company into which private capital would have been introduced.

Because of British Gas's refusal to co-operate with this scheme, the Department seems to have reverted to the idea of requiring the corporation to dispose of its interest in Wytch Farm, which the corporation discovered and developed.

Wytch Farm is the largest known on-shore oilfield in Britain. Its reserves are said to be worth about £1.5bn which means British Gas's share is worth about £750m, though likely tax liabilities and operating costs reduce the value of the stake significantly.

British Gas, which has strongly opposed selling its stake in Wytch Farm, will tell the Department of Energy shortly whether it is now prepared to co-operate with a sale. But the indications are that it will again refuse.

This is why the Government has been examining ways of forcing the Corporation to sell. The Attorney General has been brought into the discussions, and the Government may try to do it by an order at Westminster.

The idea of a Wytch Farm sale goes back to immediately after the general election. The lack of progress on it has been a source of great frustration to the Treasury. Some Ministers have complained of what they see as just another sign of the intransigence of Sir Denis Rooke, the British Gas chairman, and the Department of

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Swedish premier resigns

BY WILLIAM DULLFORCE IN STOCKHOLM

Mr. Thorbjörn Fälldin, the Swedish Prime Minister, handed his government's resignation to the speaker of the Riksdag (parliament) yesterday, but proposed that he form a new minority cabinet *from his own Centre Party* and the Liberals.

Such a government would depend on parliamentary support from the Conservative Moderates. Eight Moderate Ministers quit Mr. Fälldin's three-party coalition government on Monday because of an agreement on tax reform the Centre and Liberal parties had reached with the Social Democrat opposition.

This agreement would delay by a year reductions in income tax which the three coalition parties agreed last February to implement in 1982. It also accommodated opposition wishes to curb the tax deductions allowed to home owners with large loans on their houses.

Mr. Fälldin said his new government, if accepted by the Riksdag would follow the *policy declaration issued by* the three-party coalition formed in 1979 but it would also implement the tax agreement.

Mr. Gösta Bohman, the Moderate chairman said his party executive and parliamentary group would decide on its attitude to a Centre-Liberal cabinet next week. Opinion is divided in the Moderate party on whether it should support a new Fälldin minority government or vote with the Social Democrats for a new election. The three non-socialist parties have a majority of one in the Riksdag.

OVERSEAS NEWS

Wholesale prices in U.S. rise by only 0.8%

By David Buchan in Washington

THE PACE of U.S. wholesale price increases slowed sharply to 0.8 per cent last month from 1.3 per cent in March, while unemployment stayed constant at 7.3 per cent, its level for the past three months, the Government reported yesterday.

This relatively healthy combination of price and job news came on the morning after President Ronald Reagan won a crushing victory for his 1981-82 public spending cuts in the Democrat-controlled House of Representatives.

Sixty-three Democrats, most of them conservative and many from the South, defected to the President's cause.

The April improvement in wholesale inflation — which gives an unadjusted annual rate of 10.6 per cent—was due to a levelling-off in food prices and correction from a sharp 6.1 per cent bump in energy prices in March.

But inflation is not expected to improve dramatically in the near future, and yesterday, Mr. Donald Regan, the Treasury Secretary, warned that this would mean high interest rates "for a while longer."

But financial markets, he said, should be reassured because the Administration was 100 per cent behind the Federal Reserve's application of the brakes on the money supply growth, and Congress's action on the Federal budget.

Unemployment has only fallen fractionally from January, when the rate was 7.4 per cent, during a period of surprisingly strong economic growth.

Gross National Product rose by a real 6.5 per cent at an annual rate in the first three months. On the other hand, the jobless rate is not yet near the 7.8 per cent average which the Reagan Administration forecast this year.

Money control pledge by Fed chief

By Paul Betts in Hot Springs, Virginia

THE FEDERAL Reserve Board yesterday pledged its determination to America's top businessmen to maintain tight control on money. Mr. Paul Volcker, chairman of the Fed told the Business Council, that the Fed intended to maintain a policy of monetary restraint, and warned that interest rates will come down and stay down "only when we make progress on inflation."

These were Mr. Volcker's first public comments since the Fed raised its discount rate to a record 14 per cent this week, signalling the central bank's intention to keep credit tight to curb the latest surge in the U.S. monetary aggregate.

Mr. Volcker reiterated his warning that monetary policy alone could not resolve the country's inflation problems.

He said: "You cannot control the money supply in an economy approaching $3 trillion with trillions of dollars of transactions in any given short period." Nonetheless, he suggested, compared with some other countries, the pattern of U.S. money supply growth was stable.

Mr. Volcker also suggested that some critics were looking for an unrealistic degree of stability. "We cannot do the impossible, nor is it desirable to force a kind of artificial stability at the expense of other rigidities in the market, he said.

"What counts is where the trend is going and we intend to ensure that that trend continues towards restraint."

Polish Party calls for far-reaching changes

BY CHRISTOPHER BOBINSKI IN WARSAW

FAR-REACHING political and economic changes, many of which fly in the face of orthodox thinking in Eastern Europe, are envisaged in a draft programme from Poland's Communist Party published yesterday. The programme is to be approved by the Party Congress in July and if fully implemented, will see decentralisation of economic decision-making and greater democracy both inside and outside the party.

The programme also contains a very strong commitment to co-operation with the Soviet Union and other East European countries. Analysing the causes of the present crisis, it states that one of these was that "the deformations which were introduced into the system in 1948, have never been fully removed."

This means that the Stalinist system which was imposed in that year is responsible for the recurring crises and implies that unless all its vestiges are removed, further crises are inevitable. This will no doubt embarrass the other East European parties as the Soviet model of the Stalinist era has served as the basis for the whole of Eastern Europe.

The changes inside the Party include the freedom to criticise policy, democratic elections and limits on the influence of the apparat. The draft says that holding religious beliefs should not keep people out of the Party, a far cry from the militant atheism espoused elsewhere.

The programme underlines the role of Parliament and hints at changes in election procedures for deputies. While confirming that the party would always enjoy a majority, the programme suggests that electors should have a real choice, at least between individual candidates. The programme also speaks of the role of the trade unions as the guarantors of socialist democracy and reiterates the right to strike.

It does not avoid mentioning the "dangerous tendencies" inside Solidarity however. The union, it says, is being penetrated by anti-socialist forces. But it expresses the conviction "that the constructive and responsible working-class trend" in the union will overcome the dangers.

The programme also contains a commitment to reform in the legal system, to independent law courts and contains an implied criticism of the police when it says that "the actions of the organs of public order must come under the greater control of the prosecutor's office."

In the economic sphere, the programme speaks of the need to raise prices "as one of the most difficult problems" which cannot be achieved without "the widespread agreement of society at large."

The need to employ labour efficiently means that there will have to be "labour relocation." As for agricultural policy, the private sector is given pride of place as "the lasting element in our economy with guaranteed inviolability of property and the right of inheritance."

The central administration must be reformed and management decisions must be left with the directors of individual enterprises which, the draft implies, must make a profit.

Growth in export income is underlined as "success in this field will determine whether Poland will enjoy the confidence of the world community as a stable financial entity."

Poland's external debt, the draft says, must begin to level out after 1985.

Solidarity officials were called in to calm a crowd in Otwock, just outside Warsaw, on Thursday evening after police arrested two young people. Word spread that the pair had been beaten at the police station and a crowd of some 500 gathered, threatening to burn down the station unless the men were released. The Solidarity officials persuaded a local prosecutor to free the two men and violence was avoided, but police reinforcements had already been summoned and a full-scale crisis was narrowly avoided.

Soviet backing for Syria over missiles

BY OUR FOREIGN STAFF

SYRIA appears to have won Soviet backing for its decision to deploy surface-to-air missiles in Lebanon. The Soviet support increases the risk of a superpower confrontation unless the United States can persuade Israel to drop its implied threat of direct military action against the missile sites.

A spokesman for Syria's Ministry of Defence said yesterday that missiles were an integral part of the armed forces and would be sent wherever Syrian troops were stationed.

Mr. Menahem Begin, Israel's Prime Minister, insisted earlier this week that he had deferred moving against the missiles only to allow the U.S. more time to seek a diplomatic solution. The Israelis have left no doubt that the presence of the missiles in Lebanon is intolerable and that they will not permit them to remain.

The Syrian statement came shortly after the conclusion of talks in Damascus with Mr. Georgi Korniyenko, the Soviet first deputy Foreign Minister. President Hafez al-Assad was said to be "deeply satisfied" with the talks, which took place "under the framework of the Treaty of Friendship and co-operation signed by the two countries last year.

The Syrian leadership emphasised that the army and the entire nation was ready to confront "Israeli aggression and expansionism," and claimed it also had the backing of the Arab world.

Officials in Damascus said that the Soviet Union would do all it could to prevent a conflict but was determined to prevent Syria suffering either defeat or humiliation.

The apparent strength of Soviet support for Mr. Assad's regime ensures that if there is to be a peaceful solution to the current Lebanon crisis there will have to be closer contacts between Washington and Moscow.

It also gives the Soviet Union the opportunity to reassert its claim to a key role in any eventual Middle East settlement.

Radio Damascus warned the U.S. yesterday that it would be committing a major error if it encouraged Israel's military ambitions. It would be putting at risk all its achievements of the past 10 years because the real weakness of the American position in the Arab world was its relationship with Israel.

Mr. Philip Habib, President Ronald Reagan's special envoy, is due in Damascus today on the second leg of his mission aimed at finding a way out of the impasse. Syrian officials have indicated that his first task will be to re-establish a degree of mutual confidence after the battering that relations between the two countries have taken over the past three years.

Syria also claimed yesterday that its two helicopters which were shot down last week by Israeli aircraft had not been involved in the fighting with Lebanese Christian militias but had been merely resupplying Syrian units.

Our Tel Aviv Correspondent adds: Mr. Begin surged further ahead in popular esteem yesterday in a poll indicating that his strident new line is paying off with the Israeli electorate. In a poll in the newspaper Haaretz 41.6 per cent chose Mr. Begin as their favourite Cabinet Minister. Haaretz said Mr. Begin was now more popular than at any time for two years.

Malaysian leader 'to give up post'

Datuk Hussein Onn, the Malaysian Prime Minister, is expected to relinquish power over the next few weeks due to poor health. He has led the country for just over five years, reports Wong Sulong in Kuala Lumpur.

The Malaysian leader, who had a heart by-pass operation in London three months ago, is not grievously ill, but apparently feels the demanding role of Prime Minister eventually would take its toll. The transfer of power to his deputy, Dr. Mahathir Mohamed, 55, is expected to be done gradually.

Unions reject tax cuts plan

New Zealand trade unions have rejected proposals for income-tax cuts rather than wage increases as part of Prime Minister Mr. Robert Muldoon's economic plan to reduce inflation, Dai Hayward reports from Wellington.

They fear a cut in tax revenue will give the Government an excuse to reduce medical and welfare benefits.

Industry Ministers postpone talks

EEC Industry Ministers have agreed to postpone talks planned for next Tuesday on the steel industry to give more time for industry negotiations on production and prices, Reuter reports from Brussels.

Canadian prime hits new record

Canada's major chartered banks raised their prime rates to an unprecedented 19.5 per cent yesterday, reports Victor Mackie in Ottawa. The previous record prime rate of 18.5 per cent was set only last week.

Swiss bank rate raised to 5%

Swiss bank rate is to be increased from 4 per cent to 5 per cent from Monday—the highest since March, 1975. At the same time, the Lombard rate charged for advances against collateral is to go up from 5.5 per cent to 6.5 per cent, John Wicks reports from Zurich.

Slaughterhouses strike averted

A strike which would have paralysed Danish slaughterhouses and meat exports was averted yesterday when the Central Organisation of Graduate Employees voted to accept a wage settlement, writes Hilary Barnes in Copenhagen.

David White describes the final hours of France's presidential race

Giscard and Mitterrand in last-minute clash

THE TONE of France's presidential contest sharpened yesterday in the final hours of campaigning before tomorrow's final ballot, in which President Giscard d'Estaing and Mr. Francois Mitterrand, his Socialist challenger, are expected to run neck-and-neck.

President Giscard accused his opponent of "losing his cool" after M. Mitterrand blamed M. Giscard for "misrepresenting the Socialists' proposals."

"For seven years," said M. Mitterrand, "Valery Giscard d'Estaing has sought to deceive the French about his policies. Now he wants to deceive them about mine." M. Giscard replied that indulging in insults was "not worthy of a candidate for the presidency."

The President's ability to dramatise the consequences of a left-wing victory is likely to be crucial to his performance.

He attacked the Socialist candidate on his economic programme and the delicate issue of future relations with the Communists during a televised confrontation on Tuesday.

Opinions are divided about which of the candidates might have scored the necessary extra points from the programme—the high-spot of the month-long official campaign.

The legal period for electoral broadcasts and meetings ended at midnight last night. Both candidates undertook last-minute lightning tours of provincial centres, including a visit to Verdun by President Giscard, anxious to make the most of yesterday's anniversary of the end of World War II.

THE CONTENDERS: M. Giscard (left) and M. Mitterrand

Tomorrow will be only the fifth time in French history that a president has been elected by universal suffrage, including a men-only ballot in 1848 for the future Emperor Napoleon III. Eighteen-year-olds are taking part for the first time.

French shares yesterday continued firm after a delayed start on the Paris Bourse due to a big influx of buying and selling orders from small investors.

The stockbrokers' general industrial index rose by 0.4 points, showing an increase of almost 4 per cent on the week. Shares in companies facing nationalisation if the Socialists win, were among those to gain.

On the foreign exchange market, the franc dropped against the D-mark but improved against the dollar and sterling.

The final few days of the contest were marked by firmer adhesion to M. Giscard's cause by M. Jacques Chirac, the unsuccessful Gaullist candidate, who on Wednesday called for a joint front to stop M. Mitterrand being elected.

M. Georges Marchais, the Communist leader who polled 15 per cent in the first round—the party's lowest score for 45 years—repeated his appeal to supporters to vote for M. Mitterrand.

But at a meeting in his own parliamentary constituency on the outskirts of Paris, he prepared the way for a tough struggle after the election, should M. Mitterrand win, for a role in Government and the implementation of Communist demands.

Mme Marie-France Garaud, the independent Gaullist candidate in the first round, has called on her 400,000 voters to cast invalid ballot slips.

A question mark hangs over the 1m votes cast in the first round for the Ecologist candidate, M. Brice Lalonde, which kept either the combined Left or the combined Right from claiming a majority. M. Lalonde has refused to call his supporters out for either finalist.

Much will also depend on voters who abstained in the first round. The turnout tomorrow is expected to be higher than the first round's 81.1 per cent. More than 30m of France's 36m electors are likely to take part.

The result may remain in doubt until results from French overseas territories and French residents abroad come in on Monday. These are likely to favour M. Giscard.

Initial computer projections will be available as soon as the last mainland polling stations close at 8 pm local time tomorrow.

M. Giscard's current seven-year term does not end for another two weeks.

China accuses Vietnam of cross-border attack

BY TONY WALKER IN PEKING

ABOUT 100 Vietnamese soldiers crossed China's southern border early yesterday, attacking villages, starting fires, laying mines and looting property, according to Chinese military officials.

In what appears to be a sharply stepped-up propaganda offensive against Hanoi, the Chinese this week have alleged a series of border provocations during the first four months of this year.

On Tuesday, China's Foreign Ministry sent a strong protest note to the Vietnamese in Peking, alleging 241 incidents this year leading to the "killing or wounding" of 60 Chinese. It accused Vietnam of "organised and planned military provocations and intrusions into China's border regions."

Peking alleged that in the latest incident in Yunnan Province, Vietnamese troops had fired more than 100 shells. The note demanded that the Vietnamese "immediately stop all their encroachment on Chinese territory and put an end to their disruptive activities along the Sino-Vietnamese border."

Western diplomats in Peking are puzzled as to why a sudden upsurge of fighting should have occurred along the border.

One diplomat suggested that by drawing attention to border "incidents," the Chinese were seeking to put Hanoi on the defensive at a time when attempts are being made to form an anti-Vietnamese united front in Kampuchea.

Chinese allegations of Vietnamese incursions also coincides with ASEAN discussions about holding an international conference on Kampuchea.

One Western diplomat said foreign intelligence reports indicated that fighting along the border was "not at a dangerous level." The place where the latest incident had occurred was the site of many such incidents in the past, he added.

Intelligence reports do not suggest any sudden forward deployment of Chinese troops in the region. In the past few weeks, the Chinese have alleged border incidents on at least three occasions.

Pierre Cardin buys 40% stake in Maxim's

BY ALAN FRIEDMAN

A CURIOUS thing happened to the world of Parisian haute cuisine yesterday. While chefs and waiters were preparing for lunch at Maxim's, the world-famous restaurant at 3, Rue Royale, a London stockbroker informed his colleagues in the City that a 40 per cent share of the epicurean Mecca had been sold to M. Pierre Cardin, the popular fashion designer.

The shares in Maxim's Limited, a British company, were suspended by the Stock Exchange (at 550p) before the day's first foie gras had been served.

Mr. John Strover, the Wimbledon-based finance director of Maxim's, explained that M. Cardin had purchased the shares from M. Louis Vaudable, the septuagenarian chairman of Maxim's.

Although M. Vaudable still retained another 30 per cent of Maxim's and a further 30 per cent was in public hands, Mr. Strover said it was now "inevitable" that Pierre Cardin would gain control of the establishment.

This was because the fashion designer and the restaurateur were in serious talks over the transfer, one which would be concluded "within weeks." "I have asked for the shares to be suspended because M. Cardin is bidding for the remainder," said Mr. Strover.

Thus, one rumour was confirmed and one mystery resolved. But why was Maxim's the most French of French restaurants, listed on the London Stock Exchange and not in Paris? "Well," explained Mr. Strover, "Maxim's has been listed here since 1908 because some waggish English gentlemen went over to Paris and rather enjoyed the life there—so they thought they'd buy a stake in Maxim's."

Mr. Christopher de Boer, a partner at stockbrokers James Capel, added that many of the minority shareholders of Maxim's were still UK-based. But he admitted this was not an ordinary listed company: "It is very unusual to find a UK company with its assets in a restaurant in Paris."

Mexico to strengthen ties with Nicaragua

BY WILLIAM CHISLETT IN MEXICO CITY

A NICARAGUAN Government delegation left Mexico City yesterday, after a two-day visit, during which Mexico threw its full weight behind Nicaragua in a gesture of defiance against the U.S.

A joint communique, issued after the visit, stated that Mexico and Nicaragua had agreed to strengthen ties.

Mexico will now boost its co-operation with Nicaragua—which was cut off from U.S. aid earlier in the year for its alleged support of guerrillas in El Salvador—particularly in the fields of textiles, tourism, agriculture and forestry.

The visit by the Nicaraguan delegation was the first in which a member of the country's ruling Junta—in this instance, Commander Daniel Ortega—had been received with all the honours accorded a head of state.

Mexico's support for Nicaragua illustrates its feeling of greater independence from Washington. Unlike the U.S., it has agreed to extend its help to Nicaragua, which it is already supplying with oil on concessionary terms, "with no strings attached."

In his speech, Sr. Jose Lopez Portillo, President of Mexico, used his strongest official language to date to condemn the role of the U.S. in Central America—remarks which went down well with his audience.

The joint communique also warned that any outside intervention in Central America, particularly in El Salvador, risked igniting "an explosive situation."

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ITALY FACES A TAX REVOLUTION

1984 arrives on August 31

BY RUPERT CORNWELL IN ROME

ON THE edge of the ring motorway south of Rome, sealed off from the outside world in a fashion worthy of the Western Alliance's nuclear command centre, the future of the Italian tax system is taking shape. There, behind a windowless concrete perimeter 15 feet high, Italy is preparing to take a fiscal leap from the 19th to the 21st century.

In part it still looks like a building site. But within a month the squat complex of concrete and tinted glass rectangles will be complete. Two months later the giant data bank, consoles and terminals of the Anagrafe Tributaria, or national tax register, containing the tax and other official details of 43m Italians and Italian companies, will have been installed — promising the fully computerised handling of 13m income tax and 4m value added tax returns a year.

Thus will the ground be laid for what has notoriously been one of the industrialised world's least-efficient tax systems to become one of its most modern.

The work has been carried out by Italsiel, the data-processing subsidiary of the State-owned IRI conglomerate and its offshoot SOGEI (Societa Generale Informatica), for a total cost at the end of August, when the five-year agreement with the Finance Ministry expires, of L186bn (£79m).

"We have done what we promised to do in 1976," says Sig. Carlo Santacroce, Italsiel's president.

The Anagrafe is the direct successor of the ill-fated "Athena Project." This almost Orwellian undertaking by the Italian authorities was launched in the early 1970s but broke down when it became clear that no-one exactly knew how to treat the colossal amount of information that was to be collected.

Sig. Santacroce emphasises that the past does not matter. "Technologically," he says, "we will now probably have the most advanced computerised tax system in the world."

In the UK, he says, the earliest target date for a similar venture is 1989 and work on a project of this kind in America will not begin until 1983. But for Italy, according to critics of the scheme, 1984 will be arriving on August 31 next.

The heart of the Anagrafe is a data bank with a memory of 100bn characters, containing the fiscal biography of 43m potential taxpayers. It will be sited in a constantly-guarded, totally-protected underground bunker, 2,000 square metres beneath the terminals room and capable of surviving all but a direct nuclear hit.

Intensifying the campaign Sig. Franco Reviglio:

Whatever catastrophe may strike therefore, Italians can be consoled with the knowledge that they will go on paying taxes.

In fact the case for such sweeping modernisation is very strong. By hooking up hundreds of local income and VAT offices to a central body, the present cumbersome methods of carrying out checks will be simplified. The intensifying campaign against evasion, which Sig. Franco Reviglio, the Finance Minister, claims will net L3,700bn in 1981, will receive a further boost.

Italy is a country of astonishing contradictions. Will a data bank that is bomb-proof be equally impervious to the more subtle forms of manipulation at which its citizens are past masters? More seriously, it is doubtful if the Finance Ministry has sufficient human expertise to hand to make the register work properly. To begin with, it will only embrace income and staff underpaid. Subsequently value added taxes, leaving out two other key pieces of the fiscal jigsaw: a property registry and Customs returns.

Then again, the existing tax system is undermanned and its staff underpaid. Some people are betting that this August Italsiel will be getting a new contract — this time for an interim period at least, to run the monster it has created.

UK NEWS

Personal accounts to cost more at Midland

BY JOHN MAKINSON AND TIM DICKSON

MIDLAND BANK is to increase *significantly* its charges on personal accounts. From June 6 customers will have to keep at least £100 in a current account to escape charges. The previous minimum was £50.

The charges for the Autobank cash dispenser service, cash card and direct debit transactions will remain at 15p but the price of other debit items will increase from 15p to 20p.

Bank charges are not always *directly comparable* but it now appears that for the private customer, Midland has become the most expensive of the high street banks.

None of the bank's rivals has indicated it will follow suit. At *the* end of last year National Westminster promised that the present personal tariff would be pegged for 12 months.

Midland has not altered the notional allowance *of* 6½ *per* cent to customers whose balances fall below the required *minimum*. This allowance is a notional interest rate on the average quarterly balance which is offset against current account charges.

The bank is also retaining the free banking services it offers to attract students, school leavers and customers moving from payment in cash to payment direct to a bank.

The main clearing banks *have* all been hit by heavy increases in costs, including large wage rises.

WHAT THE BANKS CHARGE

	Minimum balance for free banking £	Direct debit charge pence	Other debit charge pence	Notional allowance %
Barclays	50	13	13	8
Lloyds	100	17½	17½	11
Midland	100	15	20	6½
Nat West	50	12	18	8½
TSB	50*	10	10	—

* No minimum balance needed in Scotland.

April car registrations up 19%

BY JOHN GRIFFITHS

CAR registrations in April, at 136,160, were nearly 19 per cent higher than in April last year and the second highest April total since before the 1973 oil crisis.

Department of Industry statistics showed car output last month at 86,000, seasonally adjusted—the highest level *since last July*. However, in spite of this additional encouraging sign, manufacturers *remain sceptical* that any sustained upturn might be in sight.

Ford, which remained the *clear market leader last month* with a 31.8 per cent share, believes that the industry may still have not reached the bottom of the trough which first opened up in April 1980.

In that month, sales plunged heavily after a record first quarter in which for the first time more than 500,000 cars were sold.

Sales over this year's first four months, at 556,544, were down by 9.86 per cent compared with the same period last year.

The share taken by importers continued to fall. They took 55.28 per cent of the market in April, compared with 58.45 per cent in the same month last year. For the first four months, the importers' share was 55.88 per cent (57.55).

BL's share of the market last month fell to 18.62 per cent from 23.08 per cent in March. Its share for the first four months *stood at* 20.17 *per cent*, against 18.78 per cent last year.

The Metro took 6.9 per cent *of the market in April with* 9,514 sales.

The Metro took 6.9 per cent of the market in April with 9,514 sales.

The top 10 sellers were: Ford Cortina 16,212; Fiesta 11,586; Escort 10,872; Austin Metro 9,514; Morris Ital/Marina 4,236; Vauxhall Chevette 3,768; Datsun Cherry 3,437; Austin Mini 2,903; Vauxhall Astra 2,848; Vauxhall Cavalier 2,562.

UK CAR REGISTRATIONS

	April				Four months ended April			
	1981	%	1980	%	1981	%	1980	%
Total UK produced	60,895	44.72	47,644	41.55	256,684	46.12	262,085	42.45
Total imports†	75,265	55.28	67,033	58.45	299,860	53.88	355,311	57.55
Total market	136,160	100.00	114,677	100.00	556,544	100.00	617,396	100.00
Ford*	43,298	31.80	34,706	30.26	171,242	30.77	197,537	32.00
BL	25,357	18.62	20,723	18.07	112,234	20.17	115,949	18.78
Peugeot SA—								
Talbot*	7,809	5.74	6,766	5.90	28,244	5.07	36,691	5.94
Peugeot	1,246		1,770		6,249		11,173	
Citroen	2,135		2,474		10,258		12,493	
Total Peugeot SA	11,190	8.22	11,010	9.60	44,751	8.04	60,357	9.78
General Motors—								
Vauxhall*	9,812	7.20	9,160	7.90	39,160	7.00	49,307	7.98
Opel	1,868		1,743		8,571		9,725	
Other GM	63		112		241		376	
Total GM	11,743		11,015		47,972		59,408	
Datsun	7,429	5.46	7,290	6.36	36,167	6.50	29,914	4.85
Renault	5,512	4.05	5,584	4.87	27,354	4.91	36,674	5.94
VW-Audi	7,951	5.84	4,995	4.36	27,582	4.96	24,297	3.94
Fiat Auto—								
Fiat	5,001		2,582		19,124		16,803	
Lancia	647		523		1,986		1,676	
Total Fiat Auto	5,648	4.15	3,105	2.71	21,110	3.79	18,479	2.99
Volvo	3,548	2.61	2,991	2.61	15,068	2.71	15,888	2.57

* Includes cars from companies' Continental associates not included in the total UK figures.
† Includes cars from all sources including those from Continental associates of UK companies.

Source: Society of Motor Manufacturers and Traders

Metro stoppage raises fears for jobs

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

FEARS OF another round of job cuts at BL Cars mounted last night as strike action stopped production of the company's successful Metro model for the second day.

About 1,700 workers at the *Longbridge plant, Birmingham*, rejected overwhelmingly a shop stewards' recommendation to call off the strike which is in protest at company efforts to raise Metro output from 4,000 to 4,500 cars a week.

District union officials were called into talks yesterday in the hope of drawing up a peace formula to put to a mass meeting of strikers on Monday.

The walk-out which has already cost about 1,400 Metros, was prompted by workers who complained that they were threatened with disciplinary action unless they agreed to the new output levels. According to the company, extra workers have been drafted in and no extra effort is required.

Union officials are expected to endorse the recommendation of senior shop stewards that workers should comply with management's requirements and put any disagreements through the official disputes machinery.

Union leaders recognise that any dispute adds to the company's troubles at a time when national economic problems have again forced BL to review its five-year strategy.

Sir Michael Edwardes, the BL chairman, warned backbench MPs recently that in order to *live within its cash constraints* the company would have to take further painful action in such areas as manpower, fixed expenses and investments.

BL Cars has called national union officials to a meeting in London on Tuesday at which details of the latest review are expected to be announced.

Pension funds reject code of participation

BY CHRISTINE MOIR

A DRAFT code of practice covering participation of workers and members of a pension scheme in the running of their fund was yesterday thrown out for the second year running by members of the National Association of Pension Funds.

The draft was discussed by delegates to the association's *annual conference in Birmingham*. It was significantly weaker than the one which was rejected last year but, even so, the majority present abstained from a proposal that the draft should be accepted.

Of those who voted, there was a small majority in favour of acceptance of the code, now called "A Guide to Good Practice." *When the chairman* ruled that this represented consensus approval for the guide, *the meeting over-ruled him.* The guide has now been sent back to the associations council for redrafting.

The code of practice had run into difficulty even before the meeting. The original draft submitted to the council by a special sub-committee under the chairmanship of Mr. Ken Cole, fund manager of the Reckett and Coleman Pension Fund, had been significantly changed by the council.

Mr. K. Cole said he would not discuss the merits of the amendment in detail. In the event, the meeting regarded the amendment as crucial.

The original draft included a section referring to negotiation of pension matters with recognised trade unions. The council considered such negotiations did not form part of the brief of the committee, and deleted the section.

The question of involving trade unions by right in pension schemes has sharply divided members of the association for *some years.*

Generally, the question of worker and pensioner participa*tion has aroused fears in some* companies that they would lose control of the management of the funds.

Studies conducted by the association show wide differences in the way companies involve members in pension schemes.

Air traffic controllers warned by BA chief

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS warned yesterday that if the rash of air traffic controllers5 disputes continued it could damage the airline's recovery from the effects of the recession.

Mr. Roy Watts, chief executive, told staff in the latest issue of British Airways News that before the disputes there were "slight" signs of an improvement after a poor year in 1980-1981.

"But it's too early to be sure whether the improvement is going to last into the summer. There is no doubt that we shall suffer, as will the whole of the British airline industry, if the air traffic control problems continue."

Mr. Watts said that at the end of March, the airline strength was just over 52,300, or about 8 per cent less than a year earlier.

"British Airways now employs fewer people than at any time since the early summer of 1970, and in those days our output was less than two-thirds of what it is today."

He said that the airline did well in some areas during 1980. The passenger load factor—the proportion of seats sold—was 65 per cent, *against a forecast* 63 per cent.

● Mr. John Biffen, Secretary for Trade, has ordered the Civil Aviation Authority to hear again an application by British Airtours (the holiday subsidiary of British Airways) for *a charter service from* Gatwick to Lagos, Nigeria.

● Mr. Biffen has dismissed an appeal by British Airways against the granting to British Caledonian of rights to stop at Dubai en route between Gatwick and Hong Kong.

Mrs. Joyce Wincott presents the senior Wincott Award for economic and financial journalism to Mr. Peter Riddell, Economics Correspondent of the Financial Times

BL 'will need more aid'

By Kenneth Gooding, Motor Industry Correspondent

BL WILL need a great deal more Government cash from 1983 onwards—whether it *succeeds or* fails. That is the main conclusion to be drawn from a House of Commons committee report published yesterday.

The Industry and Trade committee concludes that the Government was right to provide the £995m for BL's needs during 1981-83. However, it admits that "we are greatly concerned at *the amount of taxpayers' money* being committed to BL."

BL has indicated that it will need a further £150m for 1983-1985, probably from the Government. But this would depend on the group's assumptions about the pound weakening being correct, *the report points out.*

If the assumptions are significantly wrong, an immediate cash shortfall would occur and would increase the likelihood of the taxpayer being asked for more than the £150m.

Sir Michael Edwardes, BL's chairman, told the committee that "if exchange rates go against us, that £150m will be very, very small beer indeed."

"BL will thus need more than £150m *extra if the Government* fails to bring an over-valued pound into perspective," says Mr. Caryl Rhys, the committee's adviser in a paper highlighting *the important parts of the evidence.*

"Extra money would also be needed if BL's *recovery was so successful that* it would be "a good investment," to go further than it currently plans to go.

Loan to Strathclyde

THE European Investment Bank has granted a loan of £20m for public works to the Strathclyde Regional Council, not to Glasgow, as reported in the Financial Times of May 6.

Court move on liquidator

BY IAN RODGER

THE managing director of Connaught Latham is making a court application next week to have the provisional liquidator removed from the Buckinghamshire-based licensed securities dealer.

Mr. Christopher Short said that all points raised in a Department of Trade petition last month to wind up Connaught Latham related to the period under the control of previous directors. New directors had been in control since last October.

The Department's action fol*lowed a complaint last May from* Strategic Investments, an Isle of Man investment company managed by Connaught Latham until March, 1980.

The investigation centred on the relationship between the two companies and how Con*naught Latham financed* the film, The Border, in 1979.

Battle for CB radio sales

BY ELAINE WILLIAMS

BRITISH companies have decided to make equipment for the citizen's band radio market even though they face stiff competition from low cost producers in Japan and the U.S.

Yesterday Mr. Timothy Raison, Home Office Minister, announced in a letter to Mr. Patrick Wall, Conservative MP for Haltemprice, that the first testing and development licences have been issued to UK companies, ready for manufacture.

According to Mr. Raison legal users of citizen's band radio in the UK will *have more channels* and higher power equipment than their European counterparts when the system comes into operation in the autumn.

The Sun cuts its price to Star's 10p

By Lisa Wood

THE SUN, Britain's largest circulation daily newspaper, is *to cut its cover price on* Monday by 2p, to sell at 10p, the same as The Daily Star, the Express Newspapers' tabloid which was launched in 1978.

Mr. Bruce Matthews, managing director of The Sun, said: "We are trying to stimulate buying at a time when there is a general need for people to be recruited back to buying newspapers.

"The Daily Star is priced at 10p and it comes across that the public is more price *conscious than it was believed* in the Monday to Saturday market. We feel this is an expensive exercise but we will give it a go for as long as we can."

Recently senior editorial changes were made at The Sun, reflecting in part the acute circulation battle in progress among popular newspapers in Fleet Street.

The Sun, with a circulation of about 3.6m holds the title of top selling newspaper, previously held by The Daily Mirror. But the Mirror, price 12p, has recently regained ground and is again within 100,000 of The Sun, while the *Star sells over 1m.*

Esso raises price of heavy fuel oil

ESSO HAS raised the price of its heavy fuel oil — used to power industrial plants — by £6.18 a tonne, bringing its scheduled price to £126.38 a tonne.

The company said the increase was an effort to stem losses on oil product sales. Since the start of this year *it has been losing money on* all its oil product operations.

The price of Esso's premium kerosene is to rise by 1.65p a litre while regular kerosene prices are going up by 0.5p a litre. But the group's scheduled petrol prices will remain unchanged.

The heavy fuel oil increases will bring Esso's prices closer to those of other major companies. Shell and BP Oil currently charge 12.89p per litre, whereas Esso's new price will be 12.27p per litre.

Last night it seemed unlikely that the other companies would follow Esso's *lead. BP Oil said* it was "reviewing the situation."

More UK news on Page 20

Sharp increase of new private homes

IN THE three months to March, housebuilding starts were up by 26 per cent on the previous quarter, but 18 per cent lower than in January-March a year ago, according to provisional estimates published yesterday by the Department of the Environment.

Private sector starts were up 47 per cent on the previous three months and 4 per cent *higher than a year earlier.* In contrast, public sector starts were down by 18 per cent and 53 per cent respectively. The figures are seasonally adjusted.

700 school dinner staff redundant

REDUNDANCY notices have been served on 700 dinner ladies employed at secondary schools in Lincolnshire, because cafeterias are to be phased out as part of the county council's plan to scrap school dinners.

The authority had hoped to persuade the women to accept work on a casual basis but the National Union of Public Employees protested that they would lose all their employment rights.

Week of protests over nuclear plant

A WEEK of activity opposing the construction of a nuclear power station at Torness, 30 miles east of Edinburgh, will start in Scotland today.

The Scottish National Party, which has consistently opposed the proposal for the power station over the last *few years said yesterday:* "We do not need this generating capacity in Scotland and the expenditure is an irresponsible waste of public money."

Luvisca to shed 128 shirt workers

ANOTHER SHIRT factory in Taunton, Somerset, is to shut with the loss of 128 jobs. Staff at the Luvisca factory, which is part of the Courtaulds group, were told yesterday that it will close in 90 days' time. Thirty-five people will be offered jobs at a sister factory in Exeter.

London bus service 'getting better'

A SLIGHT improvement in the reliability of London's bus service was reported by the London Transport passengers committee, yesterday, in its annual report.

N. Ireland electricity aid bill put at £88m

BY OUR BELFAST CORRESPONDENT

ELECTRICITY PRICES for industrial and domestic users in Northern Ireland will be brought into line with those in England and Wales by next year. The cost will be £88m in 1981-82.

The Government *is shelving* the second half of the 1,200 Mw Kilroot Power Station near Belfast, according to a statement yesterday from Mr. Humphrey Atkins, the Northern Ireland Secretary.

Mrs. Margaret Thatcher said during a visit to Ulster in March that the Government had decided to bring electricity charges in the province closer to those in Great Britain.

The Government has now told the Northern Ireland Electricity Service to limit tariff increases this year. This will bring industrial tariffs into line with the highest charges in England and Wales. Industrial tariffs in Ulster, which have been sub*sidised for several years, are* still 1 or 2 per cent higher than corresponding levels on the *mainland.*

Charges to domestic consumers, which last year were about 14 per cent above those in England and Wales, this year will be no more than 5 per cent above. The differential will disappear in 1982.

The relationship with English and Welsh tariffs will be maintained thereafter.

Almost £45m of the cost this year represents additional assistance, without which electricity tariffs would have had to rise by about 35 per cent in the province Mr. Atkins said.

No further work will be done on phase two of the oil-fired Kilroot station. The first phase provided a 33 per cent increase in generating capacity in Ulster. According to present forecasts, greater capacity will not be needed until well into the 1990s, he said.

The Government has asked the electricity service to participate in a study on the future conversion of oil-fired *stations* to coal and on the contribution of inter-connection with the electricity systems in *the Irish Republic or Great* Britain.

Fourth IRA man to join H-Blocks hunger strike

BY STEWART DALBY AND WALTER ELLIS

A FOURTH Irish Republican is to join the hunger strike in the H-Blocks of the Maze Prison today replacing the dead MP Mr. Bobby Sands.

Organisers of the campaign to secure political status for terrorists in Ulster jails said one prisoner will join the protest for every man who dies.

Mr. Gerry Adams, vice-president of Sinn Fein and a leading figure in the Provisional Republican movement, said yesterday: "If the British don't wish to become the lepers of the international community, they must concede our demands."

Mr. Bobby Sands, MP, an IRA volunteer, was buried in Belfast on Thursday, after a hunger strike lasting 66 days. Mr. Francis Hughes, a convicted IRA murderer, last night completed 54 days without food. The H-Blocks committee said he was deteriorating at an alarming rate.

Mr. Raymond McCreesh and Mr. Pat O'Hara, who completed 47 days of their fast yesterday, were said to be very weak and having trouble with their vision.

The Northern Ireland Office said only that the condition of the three men was continuing to deteriorate.

If the Provisionals carry out their threat to maintain the hunger strike on a rolling basis, the cumulative effect of a series of deaths in the Maze prison could be extremely embarrassing for the Government.

Mrs. Margaret Thatcher, the Prime Minister, has said repeatedly that she will not give in to the prisoners' demand for special status—a view which has been supported by the European Commission on Human Rights.

The H-Blocks committee said yesterday that there had been 180 arrests in Catholic areas of Northern Ireland since Sunday. The committee said that the *sporadic rioting*, which has continued throughout much of the past week in Nationalist areas, was provoked by the army and the police. Disturbances continued yesterday in West and North Belfast. Petrol bombs were thrown and several vehicles were hijacked and overturned.

UNIT TRUST AND INSURANCE OFFERS

Prior warns against law banning closed shops

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

MR. JAMES PRIOR, the Secretary of State for Employment, yesterday warned of the damage that legislation banning the closed shop could do to the Conservative Party.

He was addressing the second session of the Scottish Conservative Party conference, which narrowly defeated a motion calling for the abolition of closed shops. Mr. Prior said the 1980 Employment Act had largely dealt with problems arising from closed shop practices and there was no future for the Conservative Party or Government in being seen to be acting in a cynical manner, disregarding the industrial facts of life.

Mr. Prior recalled the political setback suffered by the party after the 1971 Industrial Relations Act and added: "I beg of you to have confidence in what we have done. If more needs to be done, we will do it. We must approach the matter with caution and understanding, seeking to carry these people [the unions] with us."

The debate on the economy brought the first tinge of Scottish nationalism into the debate. The issue is virtually non-existent in party resolutions, and the word "devolution" has yet to surface.

Mr. Michael Hirst, of the Scottish Conservative Candidates' Association, complained that the economic problems of Scotland were "compounded by the fact that many, or a huge proportion of, factories are controlled from outside Scotland."

He appealed for better use of oil funds to generate industrial growth in Scotland from North Sea oil revenue.

A "System-Three" opinion poll published in the Glasgow Herald showed Conservative popularity in Scotland had dropped two per cent to 15 per cent since March. Labour support had increased from 46 to 51 per cent while the Scottish Nationalists also declined slightly in popularity, from 22 to 19 per cent.

The Liberals had 11 per cent, compared to 10 per cent in March.

Security to be tightened after tapes theft inquiry

By Richard Evans, Lobby Editor

GOVERNMENT security is being tightened following an inquiry by the Security Commission into the theft of classified tapes from the Ministry of Defence.

The inquiry's findings, published as a White Paper yesterday, followed charges under the Official Secrets Act against Mr. John Barry Wagstaff, a former executive officer at the Ministry of Defence. The charges, subsequently dropped, involved a number of missing tapes.

The Prime Minister said in a written Commons answer yesterday that the Government was taking the action recommended by the Security Commission which was to issue revised guidance on the handling by government department of classified information processed under new technology.

The Commission, chaired by Lord Diplock, concluded that a number of civil servants, were responsible for breaches of security, particularly the failure to report the loss of classified information in 1978.

"This failure led to a regrettable delay in the proper investigation of the case, the White Paper says.

Five tapes were recovered from Mr. Wagstaff who admitted stealing them for his own use.

De-rating of industry advocated

By James McDonald

AN IMMEDIATE method of reducing the rate burden on industry would be to reintroduce the de-rating of industry, the annual conference of the Association of British Chambers of Commerce was told in London yesterday.

This happened with the 1929 Local Government Act de-rating "industrial hereditaments" de-rating of industry was not abolished in England and Wales until 1961, said a paper presented by the Association of Yorkshire and Humberside Chambers of Commerce.

"It is significant that de-rating was introduced in a recession and abolished in a boom. The present recession is of a similar severity to that of the late 1920s said the paper.

The first requirement would be legislation giving central government power to de-rate.

De-rating could be "used as an economic regulator with year by year the Government adjusting the level of de-rating in accordance with economic circumstances.

Whatever the method to be used to redress the balance, said the paper, industry and commerce paid too high a proportion of the rate bill.

Pym praises profit motive

BY RICHARD EVANS, LOBBY EDITOR

A CAMPAIGN to persuade Britain of the "absolute necessity" of profits and profitable companies was launched yesterday by Mr. Francis Pym, Leader of the Commons and the Minister responsible for co-ordinating Government information services.

He told the Institute of Directors in Birmingham that he believed the economy was now approaching the bottom of the trough and the recovery, when it came, should be sure and steady.

"Our economy and with it our country can only achieve consistent progress if we recognises once and for all the absolute necessity for profit and profitable companies."

There was no substitute for a reasonable profit earned in a competitive economy as distinct from extortionate profits milked by monopoly enterprises.

It was becoming much more widely understood that if a company did not pay its way and provide the funds to develop new or better products and replace its assets it was sooner or later bound to fail.

Liberal Bill of Rights fails

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A BILL of Rights put forward by the Liberal Party failed to get through the House of Commons yesterday although it had received widespread support in its earlier passage through the House of Lords.

The measure would make the provisions of the European Convention for the Protection of human rights enforceable in UK courts.

No vote was taken on the Bill yesterday. Mr. Ivor Stanbrook Conservative MP for Orpington was still speaking when the debate ended.

The cool attitude of Sir Ian Percival, the Solicitor General, towards the Bill, angered some Conservatives.

Sir Ian stood by the Tory manifesto promise to initiate all-party talks on the possibility of a Bill of Rights but gave no indication when these might commence.

Mr. Alan Beith, Liberal MP for Berwick upon Tweed said the Bill was particularly needed because Britain was one of the worst offenders against human rights, judging by the number of complaints against the Government which were referred to the European court.

Britain 'on way to recovery'

Financial Times Reporter

THERE ARE encouraging signs that Britain is well on the way to economic recovery, Mr. Walter Goldsmith, director-general of the Institute of Directors, said in Birmingham yesterday.

Mr. Goldsmith, who referred to recently published industrial and trade indicators, gave a warning against any return to "lavish" public spending.

The Government, "having won the monetary war at the harshest price for the private sector—which has bourne the lion's share of the burden—cannot afford to lose the peace by spending once again."

Cabinet to apply 6% wage limit to top civil servants

BY ELINOR GOODMAN AND PAULINE CLARK

TOP CIVIL SERVANTS as well as doctors and dentists are almost certain to have their recommended pay increase cut to below the Government's 6 per cent cash limit for public sector wage settlements.

The armed forces are expected to get a larger rise, but some increases may be made in the charges paid by servicemen.

An announcement is expected within the next 10 days following a Cabinet meeting on Thursday, at which the recommendations of the three independent review boards were discussed. It was apparently agreed that, in the circumstances, it would be very difficult to pay either top civil servants or doctors and dentists more than the 7 per cent offered to other civil servants.

The recommendations, which are believed to range up to 10 per cent, are therefore likely to be cut even though this will lead to protests from the professions.

However, the Government is committed to paying the lower ranks in the armed services the full increase recommended — believed to be in the range of 8 to 12 per cent. Nevertheless, some attempts may be made to minimise the cost of this settlement by increasing charges.

The Cabinet also discussed what Ministers regard as the very delicate question of MPs' pay.

MPs are due to get an increase of about 12 per cent this summer. The question is whether they should be allowed to vote themselves another 6 per cent on the top of this, or be asked again to set an example by exercising pay restraint. Soundings may be taken over the next few days to see how MPs feel about the increase which the Government always regards as a pace setter for other settlements.

● Air Services at London's Heathrow airport and at Gatwick yesterday suffered further disruption from industrial action by civil servants over pay as air traffic controllers at West Drayton control centre staged a half-day morning stoppage.

Unions and the Civil Aviation Authority clashed over the effectiveness of the action.

Separate action by air traffic controllers at Liverpool also brought the airport's services to a virtual standstill yesterday.

Elsewhere, 70 weapons production staff responsible for building and testing Polaris missiles joined the strike yesterday at Clydeside's Coulport submarine base. This brings the total on strike at Coulport to 121. Another 122 are on strike nearby at Faslane where HMS Repulse is docked for refitting.

Credit Card refuses to increase 10% pay offer

By Our Labour Staff

THE JOINT Credit Card Company yesterday refused to improve its 10 per cent pay rise offer in discussions with the Banking, Insurance and Finance Union.

The nion suggested possible dates for arbitration on its pay dispute with the company, which handles the English clearing banks' Access operations.

The credit card branch of BIFU is meeting on Monday and officials said it might consider a selective stoppage. A work-to-rule and overtime ban is already being applied. BIFU regional officials believe that members are voting against the 10 per cent offer in favour of further action.

Shorter week deal with ICI agreed

IMPERIAL Chemical Industries and union officials representing 43,000 hourly-paid workers agreed yesterday to revise the timing of a shorter working week.

Under the new agreement, a straight reduction will be made from 40 to 37½ hours in January 1983.

Move to stop rail strike next week

BRITISH RAIL Southern Region management and union leaders of train drivers are to meet on Monday to avert a threatened one-day strike on Wednesday affecting the busy London commuter area.

The region's central area rail services were disrupted for the second day running yesterday as train drivers and guards at London Bridge, Brighton and several other stations stopped work in support of unofficial action at Tunbridge Wells.

Engineering union staff win 9%

LEADERS of the Amalgamated Union of Engineering Workers have won a 9 per cent pay rise at a meeting in Eastbourne of the union's rules revision committee. Similar rises for all 201 of the AUEW's full-time officials were also approved.

Cement industry pay talks reopen

BY PAULINE CLARK, LABOUR STAFF

CEMENT WORKERS' pay negotiators are to meet on Monday in a new effort to resolve what union leaders described yesterday as the first serious national pay dispute in the history of the industry.

This follows a warning from the Transport and General Workers Union (TGWU) that process workers in Britain's major cement companies are ready to take industrial action to protest at the employers' refusals to improve on a 6.8 per cent pay offer.

Because of the capital-intensive nature of the industry, only 7,000 process workers are involved. But the outcome of their negotiations is said traditionally to set a lead for subsequent wage increases for skilled workers and drivers

The process workers are demanding a pay increase at least to take account of the cost-of-living rise over the past year. Earnings are said to range between £80 and £100 a week at present including overtime and shift payments. The industry operates on a guaranteed 45-hour week for the group.

Mr. Peter Evans, national secretary of the TGWU, said the cement industry—unlike many others—had continued last year to make "huge profits,' led by Blue Circle, Rugby Portland a ndTunnel. Cement prices also rose by 12 per cent this year. A further increase is expected because of rising transport costs.

Whites 'aggravating' race problems

BY LISA WOOD

WHITE WORKERS and their trade unions are often guilty of ignoring, and sometimes aggravating the problems of Britain's ethnic minorities, Mr. David Basnett, general secretary of the General and Municipal Workers Union, said yesterday.

Mr. Basnett, speaking at a conference organised by his union on race relations and race related matters, said the problems of ethnic minorities were recognised by trade unions.

"But until now we have done very little to rectify them. And we have done little to educate the majority of our membership—the indigenous white membership—into recognising that the problems of minority group workers are their problems too, instead of assuming competition and antagonism.

"So, we must take new initiatives in our own backyard to stop them."

The TUC is shortly to issue a charter for ethnic minorities—at work and in the unions—and Mr. Basnett said the objectives must become reality.

APPOINTMENTS

Hawker Siddeley Group Board post

Sir Lindsay Alexander has been appointed a non-executive director of HAWKER SIDDELEY GROUP. Sir Lindsay is chairman of Lloyds Bank International and deputy chairman of Lloyds Bank.

★

Mr. Michael Goldsmith has become managing director of SPHERE BOOKS replacing Mr. Francis Bennett who was recently appointed managing director of Thomson Books. Mr. Goldsmith takes up his new appointment on July 1.

★

Professor Bryan Carsberg is returning to the UK in the autumn to take up appointment to a newly-created chair of accounting at the LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE, University of London. The chair was established at the School following the retirement of Professor Harold Edey last September from his personal chair and the appointment of Professor Carsberg is the result of financial and other support which will be provided by Arthur Anderson and Co.

★

GALLAHER HINTON AND VEREKER, which was recently admitted as Lloyd's brokers, states that Mr. J. O. Street, Mr. Nicholas Morgan, Mr. Ian Whistondale and Mr. David Pexton have joined the company to handle a non-dollar account. This will complement the newly-formed international sales and marketing operation of the parent company, Arthur J. Gallagher and Co., of Chicago. Mr. Street has been appointed to the Beard of Gallagher Hinton and Vereker.

★

Mr. Barry Hillion has been appointed to the staff of the London office (non-marine) of the INSURANCE CORPORATION OF IRELAND as UK underwriter. Mr. David J. Killelay has become superintendent (overseas) and Miss Jane E. Banks, superintendent (claims).

★

Mr. P. F. Stewart has been appointed assistant group chief executive of BARKER AND DOBSON GROUP. He continues as chief executive of the company's retail division.

★

The following appointments have been made within the C. E. HEATH GROUP: Mr. J. Elliott as associate director of C. E. Heath and Co. (International); Mr. B. E. George an associate director of C. E. Heath and Co. (Marine); and Mr. B. G. Coulson, Mr. D. K. Ord-Hume and Mr. J. R. C. Young assistant directors of that company; Mr. C. S. Woodford an associate director of C. E. Heath and Co. (Reinsurance Broking).

★

Dr. K. J. Albutt has been appointed managing director of PI CASTINGS GROUP, a holding company formed to co-ordinate the operations of PI Castings (Altrincham) and Aical, and of ALTRINCHAM LABORATORIES. Other executive directors of PI Castings Group are Mr. P. M. Tomsett (financial) and Mr. D. N. Green (engineering). Mr. J. F. B. Jackson, who founded PI Castings (Altrincham) in 1950, is group chairman.

★

Mr. J. E. Illsley has joined CATER RYDER AND CO. as an assistant to the directors.

★

Mr. Martin Rigby and Mr. Mel Dunn, who have become directors of STYLO SHOES, were not directors of PRIMARK as reported on Thursday. At Primark, Mr. Rigby was UK marketing executive and Mr. Dunn was controller of six UK stores.

★

Mr. R. F. Lister is chairman and Mr. J. G. Rose and Mr. T. S. Howden are directors of RHM FRESH FOODS, not RHM General Products as reported yesterday.

★

Mr. Carel M. Mosselmans has been appointed a director of COUTTS AND CO. He is a director of Sedgwick Group and chariman of Sedgwick Limited.

★

Mr. B. P. Heaphy has been appointed chairman of BOVIS CONSTRUCTION and continues as managing director.

★

Mr. Alick N. Bowmer has been elected chairman of BRIDGWATER BUILDING SOCIETY in succession to Mr. Clifford Sellick, who did not seek re-election for a further year, because of other commitments, but remains a director.

★

Mr. M. W. Sayers is to become secretary to the COUNCIL ON TRIBUNALS on June 20 in place of Mr. J. M. Hawksworth, who is retiring.

★

Following the cessation of steel making and processing activities by Duport Steels, Mr. Stanley Edwards has resigned from the board of DUPORT LIMITED and from all executive responsibilities in the group.

★

Mr. H. R. Sykes has been appointed chairman of HOMFRAY AND CO. in place of Mr. D. E. Gillam, who has relinquished that position on medical advice but remains a director in an advisory capacity. Mr. Sykes is chairman of Bamford Hall Holdings.

★

Mr. P. J. S. Fordham has joined the Board of POWER PRECISION, Ayrshire.

★

Mr. Juergen Schuhmacher has been appointed manager loans and credits of LANDESBANK STUTTGART, London branch.

★

Mr. Albert Hallam has been appointed a director of BARCLAYS INSURANCE SERVICES COMPANY.

THE WEEK IN THE MARKETS

A cold wind from New York chills London

LONDON

ONLOOKER

Mention of the Fed in the company of the bulls in the City will draw a very baleful glare. Action on the other side of the Atlantic to hoist interest rates has had a very dampening impact on the London stock market.

Shares have been sliding rapidly downwards since last Friday and the FT Industrial Index is now a long way off from the 600 level. The market rallied a little yesterday but the account has so far seen a fall of about 30 points to close at 569.3.

Gilts, too, looked steadier at the close of the week, heartened by the new Government Broker's decision not to issue the much expected new "long" tap.

And, sluggish or not, the stock market still carries many of the hallmarks of its recent bullish phase. The rights issue queue is said to be growing, the takeover scene is as lively as ever, and there remains a trickle of new issues coming both to a full listing and the Unlisted Securities Market.

UDS's lower hem

UDS Group, which takes in the John Collier menswear chain, the Richards Shops ladies' fashion stores, Allders of Croydon and Whiteley's of Queensway in London, made a profit of £61,000 before tax and after a Current Cost Adjustment in the year ended last January but it is maintaining the dividend at a cost of almost £12m.

Such dogged defence of the dividend—the level of historic cost profits before tax halved to £12m—speaks volumes for the Board's confidence in the future. UDS also has the liquidity required for such a heavy raid on reserves since, like many other companies, it has been able to make substantial inroads into borrowings by closing loss-making and peripheral businesses. In addition it has slashed stocks and enhanced its terms of trade to the point where total net borrowings have been sliced by almost £26m to £18m, with the help of Citibank's take over last autumn of the UDS credit card operation.

UDS made over £28m pre-tax in 1978-79 and the interest saving will start to put profits back onto the right track even if consumers' discretionary spending on clothing is deferred further. The group also believes that after a great deal of shutting down and disposal, the remaining businesses are in better shape to pull their weight in the High Stret.

It biggest sale last year was the John Myers mail order subsidiary which was not felt to justify further investment. Myers absorbed trading losses of £5.5m during the year and UDS has taken an extraordinary loss of £18.1m to clear the decks. It also closed 110, or a quarter, of its menswear multiples which now trade solely under the John Collier banner.

Clothing, like the William Timpson and John Farmer footwear operations, suffered marked falls in volume last year and the position in the early months of 1981 has not improved very much, if at all. But those investors, who subscribed 93p per share for the £34.5m rights issue two years ago will be watching closely to see how UDS responds when ladies at last throw out that dated wardrobe and their menfolk are finally persuaded to ditch that shiny old three-piece.

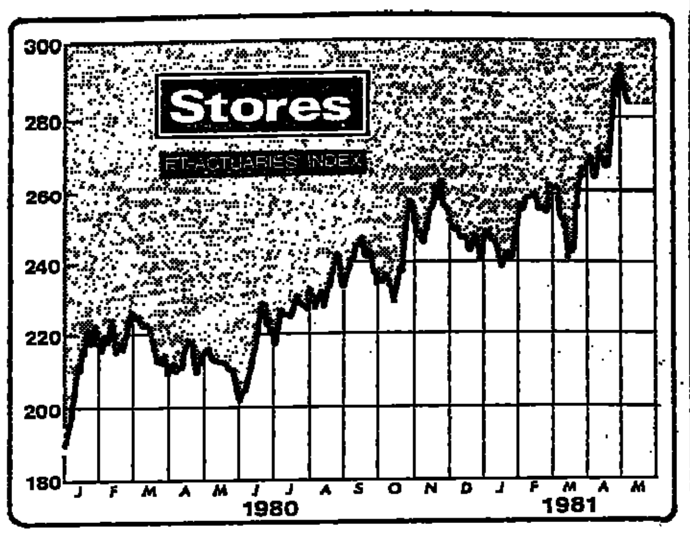
BSR changes style

BSR, the manufacturer of mass-market record changers, this week unveiled its strategy for dealing with the collapse of its main sales area. The underlying aim seems to be to shift the emphasis of its manufacturing activities from the UK to the Far East, and at the same time promote its non-consumer products.

In its heyday four years ago, BSR was producing 250,000 record decks a week, with the U.S. its principal market. The current weekly output is only about 115,000 units, mainly due to a slump in demand, although there has been some loss of market share. While part of the blame for the downturn can be laid at the door of destocking, it has seemed unlikely for some time that the market for less sophisticated decks has much long-term potential, and the group has diversified into other consumer products in the UK as well as computer peripherals in Hong Kong.

Now the group has pushed up its Far Eastern interests with the purchase of the staff and facilities of a company called Capetronic. At the moment Capetronic produces consumer electronics like cassette recorders at the low end of the market. But BSR intends to scale down these activities, to replace them with the expanding computer peripherals business.

So BSR, which made a pre-tax loss of £17.6m last year and is unlikely to be back in profit this year, is tackling the problems of a falling market and strong pound by moving out to use cheaper labour in a different product area. Luckily it had a clean balance sheet when the slide into loss began, and so gearing is still under control. The shares are now trading at over 50p, against 18p not so long ago, but the strategy is by no means risk-free.



P & O's warning shot

P & O produced higher than expected profits this week but a cautious statement from the chairman Lord Inchcape on current trading seemed to have had more impact on the market than the results. The shares fell 10p on Thursday and a further penny yesterday to close the week at 145p.

The chairman said that 1981 had started badly with a seamen's strike and strikes by portworkers at Southampton. The U.S. energy business was suffering from the softening of the oil market as was the UK oil trading side. The company did not expect profits on ship sales to match the 1980 level of £5.7m and profits after tax in the full year would be only brodaly maintained.

The £8.4m rise in profit in 1980 to £47.1m was achieved despite a £10m turnaround by the ferries into loss. The improvement in bulk shipping rates helped that division to a 40 per cent profit improvement in the second half and the energy division contribution jumped from £2.2m to £9.4m.

The decline in borrowings from the peak of £426m to £280m was a welcome development and the company now looks financially stable. However, it is still shrinking and capital expenditure is less than half current cost depreciation. P and O continues to reduce its involvement in shipping but it needs to find steady profit growth elsewhere to replace it.

Tootal shrinks

Tootal has been shrinking rapidly over the last three years; its British workforce has fallen from well over 20,000 to just 11,000. But even this has not been enough to keep up with the pressure on volume and margins, and profits have headed steadily down.

For 1980-81, pre-tax profits have halved to £7.3m, and Tootal has had no option but to cut the dividend which has looked under threat for so long. But the reduction is only by a quarter, and Tootal is forecasting that profits this year will reach £12m simply as a result of cost reduction and loss elimination, without any help at all from higher demand.

Tootal's overseas businesses have been performing well, particularly its Australian associate Bradmill and the important American Thread business. There has been some pressure on the Filipino thread interests, though, the Up 'n Downs. Tootal's U.S. retail company, has only ever performed in line with the second half of its name. The aim with this business is probably to bring it back to break-even and dispose of it: now that Tootal has no retailing interest in the UK (since it sold Van Allan) the U.S. chain makes little sense.

The main problems last year were in the home market, particularly in sheets, shirts and printed fabrics, and UK trading profits are down to £5.5m from £10.6m. But Tootal's balance sheet has held up, with debt at just below half shareholders' funds. Like many companies, it has found that shrinkage releases a gratifying amount of cash. The dividend should now be safe, and the shares are supported by a yield of nearly 10 per cent.

Housing spree

There will be a lot of new housebuilding shares on the market shortly. In addition to the one-for-four Barratt Developments rights issue, announced yesterday two other groups will be pooling their residential developments interests to form a new company, Allied Residential, which is expected to go for a full listing.

The two companies are Allied Plant, which itself has a full quote, and Thames Investment and Securities, which was launched on the Unlisted Securities Market about six months ago.

Their new offspring will have an issued share capital of 10m 5p shares which are expected to be offered at about 37p, for a prospective 10 per cent yield and a fully taxed p/e of about 8. Both Allied Plant and Thames will hold a quarter of the equity and have pledged to retain a fifth for at least two years. The new company should be making profits of about £1.05m from the completion of some 300 units annually.

On last year's performance, at least, Allied Plant is selling most of its earnings. Its profits came down by £200,000 to just over £1m pre-tax of which housebuilding contributed some £800,000.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1981 High	1981 Low	
F.T. Ind. Ord. Index	569.3	−22.6	597.3	446.0	Reaction after recent strength
FT. Govt. Secs. Index	67.03	− 1.55	70.61	66.74	Soaring U.S. interest rates
Allen (W.G.)	54	−16	70	36	Lack of support
Barratt Devs.	224	−31	255	137	£21.7m rights issue
Brixton Estate	146	−13	159	122	Disappointing results
CRA	232	−22	302	214	Govt. go-ahead on Hamersley bid
C'cial Bank Australia	285	+55	285	110	ANZ merger talks
C'cial Banking Sydney	360	+120	360	188	Bid from Nat. Bk. Australasia
Cornell Dresses	151	+28	151	53	Renewed speculative support
European Ferries	150	−17½	174½	142	Results due next Monday
General Accident	330	−24	368	284	Profits warning
ICL	44	− 6	70	32	Doubts about group's future
Kellock Trust	41	+ 7	41	17½	Bk. Scotland buys stake in sub.
Mount Lyell	115	+15	115	83	Revised merger terms
Northern Eng.	79	− 5½	93	64	£28.8m rights issue
P & O Defd.	145	−12	163	112	Results/doubts about current trdg.
Plessey	290	−19	336	255	Brit. Telecom spending plan cut
Standard Telephones	485	−35	545	405	Brit. Telecom spending plan cut
Tube Invs.	206	−16	240	158	Rights issue rumours
Unigate	109	− 9	127	94	Finance director resigns

Reagan's medicine

NEW YORK

IAN HARGREAVES

WALL STREET'S week was dominated by the latest surge in interest rates, sparked by the Fed's decision to raise the discount rate to a record 14 per cent.

This produced the inevitable sell-off in stocks as investors responded to higher broker interest fees and the lure of taking advantage of high money market rates. In a six session string, the Dow Industrials dropped by over 51 points.

Under the circumstances, however, it was surprising the market did not drop further, especially as the Fed made it quite clear at the end of the week that it now has a minimum level of 18 per cent for the Federal Funds rate. Short-term interest rates are up there to stay for a while.

Clearly something is offsetting this pessimism on interest rates and this "something" was influential enough to arrest the drop in the Dow on Wednesday, allowing the market to recover very slightly thereafter.

The something is the U.S. economy, which has now proved, for even the most sceptical, its ability to continue to grow in a high interest rate environment.

In Hot Springs, Virginia, yesterday, where America's top executives were meeting for one of their regular brainstorms about the future of the economy, there was agreement that it will grow at a moderate rate for the rest of the year, even though the same consensus suggests yields on long bonds will remain trapped in the 14 to 16 per cent range for two years. If long bonds remain in that range, it means inflation will not have got any better.

A9 year ago, many of these same points could have been made, but the country was then running up to an election, President Carter was wiling to have one last blast at inflation through credit controls and businessmen were nervous.

Today, the business community—with the exception of money market economists—is showing considerable confidence in the Reagan economic programme and even where that confidence is lacking, there is a belief that business can cope with conditions while the medicine is being taken.

The conventional economic wisdom that higher interest rates will have a killer effect on the economy is simply not believed any more. The reason for this is that those sectors most sensitive to high rates—motors and housing, including thrift institutions—are already on their backs and the economy has absorbed the economic shock of that state of affairs.

This is what the stock market was saying last week anyway. Running down a list of stocks in these "interest rate sensitive" areas, the list shows little or no change between the close last Friday night and the close on Thursday of this week for AT and T, the country's biggest utility and biggest borrower in the bond markets, for General Motors, Sears Roebuck, and U.S. Home. Even Chrysler, whose interest rate problems certainly match in scale those at any other company, ended the period unchanged.

The market's underlying confidence has also, it is now clear, entirely accounted for the corrosive effect of this high inflation growth picture on corporate earnings.

With just about all the first quarter results now in, corporate profits overall seem to have declined about 2 per cent. Excluding the oil companies, where there were much sharper drops, there was a gain of approximately 5 per cent. This of course, represents a sharp decline in real terms.

Looking at individual sectors, there were significant falls in profits in building materials, chemicals, mining, oils and textiles. Gains in excess of the general inflation rate were recorded only by grocers, food producers, tobacco, tyres, railways, utilities and some types of machinery manufacture. Airlines, autos and farm equipment recorded heavy losses and steels were stagnant.

This is hardly a dashing performance, especially as several of the big gainers—notably tyres—were bouncing back from truly dismal figures a year earlier.

The bottom line of all this, as American businessmen like to say, is that the business and the investment community has learned to live with double digit inflation.

This is enabling the stock markets to draw general strength from the so far fairly smooth passage of the Reagan programme, even though Wall Street is well stocked with economists direly predicting that Mr. Reagan will drive inflation higher.

Monday 979.11 −16.48
Tuesday 972.44 −6.67
Wednesday 973.34 −0.90
Thursday 978.39 +5.05

What recession?

SAINSBURY

BARRY RILEY

FOUR YEARS ago it was Tesco which threw down the supermarket gauntlet by launching its "Checkout" cut-price campaign. But in the end the winner of this particular joust appears to have been Tesco's arch rival, J. Sainsbury.

Just how successful the London-based group has been was underlined on Wednesday this week when Sainsbury announced that sales in the year ended March had increased by 30 per cent to well over £1½bn. Profits before tax were 42 per cent ahead at a little more than £62m.

The past three years taken together have seen a remarkable advance in the company's trading fortunes. Sainsbury's results have reflected a more aggressive marketing stance.

In three years sales have all but doubled, pre-tax profits have climbed by 125 per cent, and selling space has gone up by almost a fifth. All this from a long-established family-controlled stores group which might have been expected to have a fuddy-duddy image but which in fact has shown most of its competitors a clean pair of heels.

The only company to rival Sainsbury's recent growth has been the Leeds-based superstores operator Associated Dairies, which has been busy marching South at the same time as Sainsbury has been spreading through the Midlands as far north as Cheshire and Yorkshire.

A decade ago Sainsbury held only a 4 per cent share of the national trade in food shops, according to data from A. C. Nielsen and the Department of Industry. That share has now been built up to 7.2 per cent.

The company's success is based partly upon highly efficient management, and partly upon its decision to specialise in jumbo food supermarkets (its new branches are in the range 15,000 to 30,000 square feet) rather than in giant superstores.

It has kept ahead of the direct competition from rivals like Safeway and Waitrose, and has aimed at a slightly different slot in the market from superstores operators like Asda and (increasingly) Tesco

During the current recession food sales have been considerably more buoyant than most non-food business, thus acting in Sainsbury's favour. Sainsbury has also gone into the superstore business through SavaCentre units, of which there are curerntly four, and has done so indirectly through a 50-50 company with British Home Stores.

In recessionary conditions many stores companies have experienced pressure on profits, causing them to start edging up their gross margins. This has allowed the efficient Sainsbury operation to undercut the competition—indeed, it reckons that its cheapness relative to average High Street prices improved by 1 per cent last year.

But it will be very hard for Sainsbury to keep up its recent heady rate of progress. Its net margin on sales has now topped 4 per cent, higher than at any time in recent history, and a level which is unlikely to be exceeded.

Critics wonder, too, whether Sainsbury can be quite so successful in the north as in its home territory near London. It opens up this year in Asda's home ground in Leeds, and in all reckons to have 25 supermarkets trading in the area north of the Midlands by 1985.

But Sainsbury claims to be trading very succesesfully in these newer areas, and in all it plans to open 35 new units in the next two years. The stock market, certainly, is highly impressed: it values this chain of family grocers at no less than £700m. **See Man of the Week, Back Page**

Once upon a time in West Africa

MINING

GEORGE MILLING-STANLEY

"THIS ESCAPE from under the De Beers umbrella might not prove so advantageous should the diamond trade run into a depression."

Those who follow the world diamond business could be forgiven for thinking that these words apply to Zaire, the biggest producer of industrial diamonds in the world, as that country is currently involved in negotiations which may bring to an end its 14-year exclusive marketing contract with **De Beers' Central Selling Organisation.**

In fact, the sentence was written by the Mining Editor of this newspaper on November 14, 1962, and he refers to Sierra Leone and Ghana.

These two countries were the last major producers to break from the CSO, which handles the marketing of about 80 per cent of the world's diamond output.

The split did not do much damage to the CSO's virtual monopoly, and neither of the countries has been conspicuously successful in the diamond business since that time.

This week brought the news that Ghana's sole remaining producing diamond mine is in such dire financial straits that it could soon be forced to close.

The Akwatia mine has been in operation since 1924, and would probably have had to close in 1983 or 1984 anyway, as its reserves became too depleted for economic mining.

As it is, Akwatia has been to badly squeezed between rising costs and falling prices that it is only being kept afloat by an emergency loan of 25m Cedi (£4m), arranged last week.

Output has fallen from the peak of 2.4m carats reached in the mid-1970s to about 1m carats last year, and there seems little chance of raising production from a mine so close to the end of its economic life.

The mine is operated by **Ghana Consolidated Diamonds** (GCD), in which the Government of Ghana has a 55 per cent stake, with the remaining 45 per cent held by **Consolidated African Selection Trust** (CAST). This company is owned by **Selection Trust**, now a subsidiary of British Petroleum.

Mr. Harry Parker, GCD's managing director, said that his company now needs more state aid or a major devaluation of the cedi if it is to survive.

Whether the De Beers "umbrella" would have afforded Akwatia the sort of protection it needs in the face of the current weakness in the world diamond market is open to question but the fate of the mine will no doubt be watched with considerable interest in Zaire.

That country has already taken several steps towards breaking away from the CSO, including setting up its own mineral marketing agency **Sozacom**, which is understood to have arranged contracts with three independent diamond buyers, two in Antwerp and one in London.

The precise status of these contracts is not clear; they are agreements for each of the customers to take a proportion of Zaire's output, but as yet they contain no percentage figures.

If the CSO accepts the 25 per cent of total production it has been offered, then each of the other three will take a similar amount. If the CSO sticks to its current position, that it needs to buy all of Zaire's diamonds in order to retain its control over prices, then negotiations could well break down, in which case the three would-be customers would each receive one-third of the country's production.

Formal negotiations between the CSO and Sozacon are expected to resume in Kinshasa, the capital of Zaire, next week.

Zaire's negotiators were given further food for thought this week when Sir Philip Oppenheimer, a De Beers director, said in Frankfurt that failure to reach agreement "is not of vital commercial interest for the company."

He went on to say that a breakaway from the CSO could have unfortunate consequences for Zaire, which needs guaranteed prices and sales. Without them, Sir Philip said, it would be doubtful if Zaire would get loans from the International Monetary Fund.

Citoyen Lakuza, the head of Sozacom, recently went to Washington, where he was expected to take part in talks on the contribution Zaire's mineral production could make towards reducing the country's debt burden.

Zaire is believed to be close to agreement with the IMF on a three-year facility of 300m Special Drawing Rights (£169m), which could open the way to a further rescheduling of the country's estimated external debt of $4.4bn (£2.05bn).

Of more immediate relevance to the diamond mining business is the involvement of international agencies in plans to expand output.

The country is approaching the end of production from its alluvial deposits, and is considering two alternative expansion plans. The first of these involves underground mining of kimberite pipes, which would require an ore treatment plant. The overall cost of this plan would be of the order of $120m.

Zaire's output in 1980 was just over 8m carats, far below the peak of 13.5m carats reached in 1974, but probably still sufficient to finance much of this plan internally. Perhaps as much as $40m would have had to be borrowed, but this would have presented no difficulty.

As it is, the country's mining plan calls for the production of no more than 6m carats this year, and performance over the first three months indicates that even this modest target will not be reached. Only about 1.2m carats were produced, suggesting annual production of under 5m carats, which is likely to make financing much more difficult.

The second plan calls for the expenditure of about $40m on a dredging programme. This, it is hoped, would bring output back up to 1980 levels, and Zaire could then go ahead with the underground mining plan.

Zaire has held discussions with international agencies on financing the cheaper of these two alternatives, but talks are now in abeyance pending the conclusion of satisfactory marketing arrangement for the diamonds.

History, and the "big guns," would seem to be ranged on the side of reaching another agreement with the CSO. They may not always be right, but Zaire will be very orave indeed if it ignores them.

Occupant not tenant

FINANCE AND THE FAMILY

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Part of my house is divided off as service accommodation. This accommodation has a separate front and back door and is separated inside, but shares services (electricity, water etc.) and is deemed for rating purposes to be part of the main house. The occupants give a definite number of hours help in house and garden, in exchange for free accommodation, lighting etc. and are paid for any extra help they may give. Have the occupants acquired or will they acquire any rights of security of tenure?

We think that the arrangement which you describe does not constitute a tenancy and is therefore not within the protection of the Rent Act 1977, or of any other statute giving security of tenure.

Late payment of legacy

Under Late Payment of Legacy on January 3, you wrote that the rate of interest payable is now 5 per cent. Could you tell me when and how the change from 4 per cent as stated in Halsbury's Laws of England was made?

The basis for the figure of 5 per cent is Order 44 Rule 19 of the Rules of the Supreme Court. The change was made in 1972.

Less expensive executor

In 1972, on your advice we transferred the ownership of our house to tenants in common. We have now been informed by the trustee department of our bank that this should be changed to joint ownership, because on the death of the first survivor, a charge of 5 per cent would be made on half the house value, but no charge would be made if the house was changed to joint ownership. Both our wills state that the house and all assets are left to each other. Could you please clarify the matter for us?

The charge which you mention is presumably a charge by the bank as executor. If there is no reason to choose tenancy in common rather than joint tenancy you can execute a declaration of trust setting up a joint tenancy. If there is good reason for preferring a tenancy in common you can consider having a less expensive executor.

An unauthorised investment

I am a member of a Staff Pensions Fund of a professional institute. It has come to my attention recently that the trustees of the fund have purchased shares in a UK-registered oil exploration company. This company was set up some five or six years ago, I believe, and so far it has not paid any dividends on its ordinary share capital, and has not, to the best of my knowledge, yet declared that it will pay any dividends on the ordinary share capital in the near future. The company has, however, paid dividends on its other form of "share capital," namely Oil Production Units.

The point which concerns me is that the shares in the oil company are at the present time a non-income-producing asset and this sort of asset, I believe, is not covered by the Investment Clause. Is this an unauthorised investment? If so, what should I do about it?

We think that there is some basis in law for arguing that the purchase of an asset which is not income-producing is not an investment as it is not productive of a yield in money terms: Re Power [1947] Ch.572. There could therefore be a breach of trust. You should require your co-trustees to sell the shares, assigning as a reason the possibility that there is no power to hold such shares; and record your position in writing.

False claim by a vendor

I recently completed the purchase of a flat, being one of 52 in a purpose-built block. Prior to exchange of contracts the vendor told me that although the exterior of the building was due for redecoration this year, he did not expect the service charge to increase from the previous year's figure of £200 by much more than was necessary to allow for inflation, say to between £200-£300.

Since completion the residents have received a circular letter from the managing agents stating that over £2,000 will be charged in respect of each flat for repairs. It is apparent that both the managing agents and the vendor knew that such repairs were known to be necessary before I exchanged contracts.

Have I any claim against the managing agents, or the vendor or his estate agents, or against my solicitor for not discovering the liability during his searches?

If you can establish that the vendor did state that the service charge was not expected to increase substantially AND that he knew that there was a heavy repair charge to be met you would have a claim for misrepresentation against the vendor. We doubt if a claim would lie against your solicitors. You should consult your solicitor with a view to making a claim in misrepresentation or deceit against the vendor.

VAT and car import

I recently listened to a programme on the BBC concerning the purchase of cars outside the UK. The gist of the matter was that if a person (whether a UK resident or not) purchased a car abroad, and imported it into the UK after a period of 12 months, the car would not attract VAT until it was sold, and then on the sale value and not on its cost price. I have tried to obtain the relevant VAT Notice, and from a study of that it appears that VAT is payable at the moment of importation into the United Kingdom.

Could you please comment?

The import of a motor-car will only be free of duty if applicable, and VAT and car tax if the importer comes within the conditions set out in Customs Notice No. 12. We do not see how a UK resident could come within this notice. If the "change of residence" rules apply to an individual, that individual may bring a car into the UK free of customs charges providing the conditions set out are met. Before the vehicle is advertised for sale or any attempt is made to sell it, the customs charges have to be settled. If a sale is proposed before the time limit set out in Customs Notice No. 12, the local Customs and Excise office have to be informed. At that point the secondhand wholesale value of the car will be determined by the Customs and Excise and import duties, if applicable, together with VAT and car tax will be charged on that value and the car cannot be sold before this matter is cleared with the Customs and Excise.

Tax return and UK

I have recently moved to the UK becoming a legal resident here but for the present retaining my domicile abroad. With respect to tax, I understand that I will pay it only on income and capital gains remitted here.

Looking ahead to the filing of my first income tax return, please inform me if it is to be completed only with respect to remitted income and capital gains or should I report on it all income and capital gains whether remitted or not? Do the revenue authorities have a publication which will provide direction for a taxpayer in my position?

There may be situations where there is a question as to whether a remittance is capital or income. Could you please advise me of a source of guidance as to the rules generally followed by the Revenue as to what constitutes income and what is capital?

You will find general guidance in the free booklet IR20 (Residents and nonresidents: liability to tax in the UK) and, if relevant, the booklet IR25 (Taxation of foreign, earnings and foreign pensions); these booklets are obtainable from most tax inspectors' offices. You may also find help in booklet IR1 (Extrastatutory concessions).

There is a special type of tax return form for people domiciled overseas, number 11K, and the accompanying sheet of notes will help you to fill it in. Some tax officers do not appear to have heard of these special forms 11K, so you may have to be gently persistent in getting one.

It is difficult to give you detailed guidance, on the bare facts outlined in your inquiry. For example, your UK tax position may be affected by one (or more) of the 80 or so double taxation agreements to which the UK is a party. The tax law and practice is so complex that you may well find that the (admittedly high) cost of professional guidance is justified, at least for the first year or two of your residence here.

Tim Dickson looks at the state of the housing market and the prospects for an upward movement in prices

Dim outlook for bricks and mortar

AT THIS time of year estate agent circulars flip through the letter box with monotonous regularity. Dreams of a new home, the agents hope, become increasingly vivid and bank balances, in the imagination at any rate, increasingly fat. The key consideration for many people, however, is where house prices are going in the next few months.

The last 12 months or so have been remarkably dull. After average increases in 1978 and 1979 of almost 30 per cent, price rises in 1980 slowed to a relatively unexciting 9-10 per cent. The last three months have been even more sluggish.

Abbey National, the second largest building society, actually reported an overall 1.1 per cent drop in the first quarter of 1981, the third successive quarterly fall by its reckoning, though the Nationwide and the Royal Institute of Chartered Surveyors did detect a modest, if hardly significant improvement in the same period.

Regional variations are, of course, extremely important—Nationwide's survey, for instance, ranged from a rise of 3 per cent in Yorkshire and Humberside to a fall of 2 per cent in Scotland and the North-East—but a few general points can be made.

Opinions as to why and when house prices rise often differ quite widely. In the long run, the overall prosperity of the country, which flows through into higher real incomes, is obviously crucial. But over shorter periods, when pundits like to make their forecasts, there are a number of different factors.

Mr. Barry Bissett, of Nationwide, for example, says there has been a notable pick-up in the demand for mortgages and that this may spill over into higher prices later in the year. However, to read too much into the relationship between prices and mortgage lending, he adds, is an oversimplification. "More important is whether people think they can afford to take on the extra commitment of buying say a bigger house. Confidence is vital and if people think house prices are going to rise then they very often will."

At the moment Mr. Bissett sees no more than tentative signs of a more buoyant market.

There may well, he says, be a shortage of funds later this year because of the strong competition from National Savings. If lending continues at its present levels, many building societies fear that they will not be able to cope, though the increasing presence of the clearing banks in this field should mop up at least some of the excess. Most building societies have already begun slightly to reduce their liquidity levels in the past couple of months.

Over at the Abbey National Mr. John Bayliss believes there should be some movement in prices in the third quarter. He is also worried by the possible shortage of mortgage funds and says that if it wasn't for this he would be much more bullish.

"There is much more optimism on the economy and interest rates are now lower. It is all about what borrowers feel they can afford to pay and incomes have certainly carried on rising in the last couple of years. There is a build-up of people who ought to be moving who have not yet done so."

Mr. Norman Friend of the RICS says for this reason there is now a shortage of good property. "All it needs, I feel, is a spark to get things moving. The first time buyer's market has been buoyant for some months, particularly in the South East but while these people are getting their mortgages fixed up the second time buyer is being slow to take the plunge."

Mr. Friend takes heart from the Stock Market's optimistic mood but he sees no great improvement until next year.

Benefit from redundancy

FEAR OF redundancy can act as a deterrent to couples buying a new house or changing homes. They fear they may not be able to meet the repayments if someone is suddenly thrown on the dole.

However, a new scheme arranged by Stewart Wrightson, a UK insurance broking firm, with the Federated Insurance Company, could do much to allay these fears.

Under the scheme, the insurance will meet the mortgage repayments for a limited period should the purchaser be made redundant during the early years after buying the house.

Stewart Wrighton has two schemes—one for buying newly-built houses and another for buying an existing house. Each scheme has the same objective but differs in detail.

The scheme for the newly-built house provides protection for a three-year period from the time of completing the purchase. Should the housebuyer be made redundant during this period, the insurance will meet the mortgage repayments, including the life assurance premiums under endowment mortgages, for the balance of the three-year period as long as the housebuyer is out of work. If the housebuyer is made redundant one year after buying the house, the scheme will meet his mortgage payments for two years providing he does not get another job during that time. There is no limit on the claim.

The housebuyer has to give proof of redundancy in making a claim by producing the statutory redundancy notice and proof that he or she is registered as unemployed.

When the housebuyer gets another job, the cover ceases and he has to inform the insurance company immediately of this fact. The temptation, of course, is to delay telling but the insurance company will check with the new employers the date the employee started work again. The company is likely to make checks that the houseowner is still out of work, to avoid cases of houseowners not revealing when they have found new employment.

Joint mortgages are common these days, with both partners contributing to the repayment. Under this scheme the couple has to nominate which partner is to be covered against redundancy, not always an easy choice if both are contributing equally.

Under the scheme for buying an existing house, the cover period is two years and where joint mortgages are concerned it applies to either partner. There is also a financial limit of £2,000 on any one claim.

Before housebuyers rush out to inquire about this cover, it is not available to individuals. On new houses, it is the builder who takes out the cover; on existing houses it is only available to estate agents. The builder or the estate agent has to insure all his houses sold, in this manner the insurance company avoids selection against it—a civil servant for example is not likely to be made redundant as a steelworker.

In this way the premiums are kept to a very reasonable level—an average of £36 per new house or between £20 and £31 for an existing house. The premium would be incorporated in the price of the house.

So when buying a house check whether it carries cover against redundancy. It does not apply to the self-employed so they should ask for a reduction.

Eric Short

Booming ..

BY ALL accounts National Savings had a bumper April. The Department's estimates show that almost £500m was scooped up through index-linked "granny bonds" and the 19th issue of savings certificates in the four weeks after April 6 and even that could be a conservative estimate. On its own the 19th issue contributed about £280m over the period and since the maximum individual holding was raised from £1,500 to £5,000 in mid-January it has pulled in more than £1bn.

Once very much the poor relation to banks and building societies, National Savings is now a front runner. And while the gilt-edged market notes the success of the Government's funding methods with satisfaction, the societies understandably squeal about unfair competition. Although the consensus about interest rates is that they are still set to fall further, the time may come when societies have to think about putting up their rates again. The Government seems to have developed a taste for the personal savings market but that threat from the societies could well dull their appetite.

T.D.

To be or not to be sole trader

TAXATION

DAVID WAINMAN

DON'T LET'S worry for the moment about whether or when—let's just focus on how. How should someone who operates his business in an unincorporated form turn it into a company?

There are tax advantages and disadvantages in being a "sole trader." This is another way of saying that there are drawbacks from a tax point of view as well as benefits in incorporation. But substantial parts of current tax legislation carry the clear import that each new business will sooner or later be converted into a company, although not started in that form.

Two examples drawn from the recent tax encouragements given to entrepreneurs are enough to illustrate these implications. The 1978 provision allowing losses in the early years of a new business's operation to be carried back against the proprietor's other income in the immediately preceding three years is available only to those who start unincorporated.

In contrast, the so-called "business start-up scheme" currently before Parliament in this year's Finance Bill can only operate where the business concerned is being carried on in a company. The entrepreneur whose track record in his new business is sufficiently good to attract the outside investor must take the latter's money in exchange for shares, not for a participation in an unincorporated business.

...When thesole trader hands over his business to a company he ceases his trading and the company starts. From an income tax point of view, cessation is a word which has the correct connotations so far as the individual is concerned.

If he has been trading long enough to have reached the "preceding year basis of assessment," his ceasing to trade will involve the Revenue altering his final assessment (from the previous April 6 to the date of cessation) on to the basis of his actual profits for that period. They can also alter the previous two years assessments on to actual profits if doing so increases those assessments.

The rules determining which profits form the basis of assessment in the opening years of a new business are complex enough to need an article to themselves. It is enough for present purposes to indicate as an example, that a trade started on January 1 and preparing accounts to December 31 annually might expect to have its first year's profits taxed two and a quarter times

The corollary on cessation is that it could expect that profits of a 15-month period towards the end of its life would not be assessed at all. That is the effect of the Revenue's changing the assessment base to "actual" in the way described above.

But the calculation of his taxable profits in his final accounting period is not quite the same for a trader transferring his business to a company as for any other individual ceasing to trade. The trader transfering stock to a company can do this at its book value, i.e., the lower of cost or market value, rather than at its selling price. He will suffer no claw-back of stock relief previously given.

A second form of "continuity" permitted between sole trader and company is that they can jointly elect to transfer assets on which capital allowances have been claimed at their values for tax purposes. The allowances previously taken by the sole trader do not therefore need to be clawed back as they would otherwise be in any case where the assets' open-market values were greater than their tax values.

If the sole trader has a loss up to the date of his cessation there are in addition to the normal rules for losses two special ways in which he can obtain relief. His entitlement in his first four years of trading to set a loss against income from other sources in the three years before he started has already been referred to.

As an alternative he can carry the loss forward to reduce his subsequent tax liabilities on earnings or dividends from the successor company. Each of these relieving provisions is hedged about with complex rules for quantifying the loss and how it is to be offset.

From a capital gains standpoint the sole trader is regarded as having sold all the business' assets at their open-market value. But provided the incorporation is of the business as a going concern, "together with the whole assets of the business or together with the whole of those assets other than cash," and provided he receives only shares in the company in return, he will not pay tax at that stage. His "gain" is treated as reducing his acquisition cost of the company's shares, so that it will only be on his disposal of them that he is taxed on the gain rolled over into those shares.

That method leaves the Damoclean sword hanging over the individual's head. But it allows the company to dispose of assets without a disproportionate liability, because the company is regarded as having acquired them at their market value. As a method of incorporation it can also be expensive in capital duty and stamp duty, since all the assets must be transferred—even those like debtors which could well have been excluded from the transfer.

So there is an alternative approach. The individual can sell to the company at their capital gains tax base values only those assets which it will need to carry on the business. The section which permits a "rollover" in these circumstances is called, curiously, "gifts of business assets." But individual and company need to be clear in their minds that its use leaves the rolled-over liability with the company—to crystallise when it sells an asset, rather than when the individual sells shares.

YOUR SAVINGS AND INVESTMENTS—2

FINANCIAL ADVICE

Eric Short looks at the contribution insurance salesmen can make to financial planning

After death there is life

LIFE ASSURANCE is as much if not more about investment as it is about providing death cover. The advent of linked life assurance has emphasised the savings aspects of life assurance, to a high degree. Every life assurance intermediary is a potential financial planning adviser in some way or other and the series has already covered the role of insurance brokers in this area.

The direct salesmen of life companies are also becoming more involved in giving financial advice to clients. In the old days the agent was given a minimum of training by his life company and had to use his common sense and his contacts with other professions.

Now, however, life insurance salesmen are given much more thorough tuition by their companies, though the standard varies considerably.

Some life companies have actually gone much further and set up personal financial planning departments to provide back-up service to the field staff or insurance brokers, especially the small and medium sized broker without the resources to carry their own planning department.

The impetus for this back-up service came in the days of Estate Duty when a detailed appraisal of a client's affairs was essential in order to advise on rearrangement and take out the necessary life policies. This has grown to giving a complete planning service covering not only capital transfer tax planning, but general investment advice.

The client completes a comprehensive questionaire stating his current financial position and his investment objectives. The department will then prepare a recommended plan to meet these objectives. Invariably, the solution will have an insurance bias, but those involved say that other investments will be recommended where appropriate.

There are over 80 life companies operating in the UK dealing direct with the public.

The **Equitable Life** is the oldest mutual life company in the world and one of three life companies in the UK that does not pay commission. Thus it has to get its business from its field staff but tends to find its policyholders at the affluent end of the scales. There is a number of inquiries for tax-planning, particularly CTT. There are two financial planning managers, one in London and another in Birmingham who back up the field staff on complex matters.

In contrast, **Pearl Assurance** is a leading home-service insurance company and its UK network of agents has been giving financial planning advice to policyholders and their families for decades. In most cases the problem is comparatively straightforward and the agent can provide a solution, not necessarily by selling insurance products. It has set up a financial planning service under the title of Futureplan primarily to back up agents in more complex cases.

The other three life companies deal primarily with insurance brokers and other independent intermediaries and their departments are designed to back up the service given by their inspectors.

Sun Life was the first in this field and started over a decade ago to deal with problems of Estate Duty. Its service has developed to cover general investment advice, boosted by its entry a few years ago into the linked life market. But tax considerations, primarily those of CTT, still occupy much of its inquiries. The department is staffed by persons with mainly a legal background but it has access to actuarial and investment advice.

Clerical, Medical and General also set up its department to back up brokers and inspectors. It will provide comprehensive general advice on problems, using the services of its investment personnel, but prefers to offer a life assurance solution.

The **Norwich Union** has gathered a team that is possibly a typical composition—with actuarial, legal and accountant personnel in one department. The planning will be on a joint basis where necessary, concentrating on insurance solutions but offering others as well.

Investors using life company services must expect to be recommended a series of life contracts to meet their problems, plus one or two references to National Savings and low coupon gilts. The life companies in that respect are giving what may be considered biased information. But they hold the view quite strongly that the investment products offered by both with-profits and linked plans stand up in their own right provide a better average return than individual portfolios.

How sure can bank customers be of confidentiality? **Rosemary Burr** reports

The attraction of a current account

MANY BANK customers are prepared to pay the equivalent of hush money in the form of interest foregone in order to protect their financial secrets. A former bank branch manager now with the Banking Information Service said. "A lot of people are somewhat scared of their gains being discovered so they keep large sums of money in non-interest bearing accounts."

Although banks traditionally emphasise the total secrecy of a customer's transactions there are three main cases where information about a customer's credit position can be given to outside parties.

The most common and important is the regular disclosure to the Inland Revenue of interest paid on sums in a deposit account.

As no such payments are involved on current accounts this goes some way to explaining why so many people place large sums of money in non-interest earning current accounts. About 55 per cent of the adult population has a bank account: 21.8m current accounts and 12.2m deposit accounts.

Information of a more extensive nature than interest payments may be sought by the Inland Revenue from the bank. In these instances the Revenue will take out a court order requiring the information to be given.

Information on a customer's standing is frequently required by traders or other credit agencies who may ask for a bank reference. By giving a bank as a reference the customer is authorising the bank to reveal information on his or her credit standing.

However, the mere naming of the bank does not give green light to complete revelation on a customer's financial affairs. A bank will decline to answer a general question such as, how much Mr. Bloggs is worth, but will answer a request as to whether Mr. Bloggs is good for £100 in the ordinary course of business.

As for the possibility of leaks from inside the bank on a customer's financial status, bankers claim these are prevented by the profession's code of ethics. Every member of the bank's staff is sworn to uphold the secrecy of a customer's transactions.

Relaxation of the rules

INVESTMENT TRUSTS

RAY MAUGHAN

WITHIN a week of the Stock Exchange announcement that it is relaxing the listing requirements for investment trusts, the Edinburgh fund management group, Ivory & Sime, put the finishing touches to its plans to float a new investment trust designed to provide a quoted route into the Unlisted Securities Market. The vehicle it has put together is called First Charlotte Assets Trust.

James Capel is placing 30m ordinary 5p shares in First Charlotte at 10p per share next week and the issue will be watched with a great deal of interest by the other fund management houses said to be contemplating the potential of the USM.

The recent Stock Exchange decision has done much to spark this interest. The USM was born last autumn and has 38 constituents but until recently authorised investment trusts have not been able to participate on any significant scale.

Now the doors have been opened. The authorities have also lifted the level of unquoted investments which a trust can carry from 15 per cent to 25 per cent of gross assets. Furthermore, it now allows the U.S. Over-The-Counter issues to qualify as quoted shares.

So, Ivory & Sime plans to put together a portfolio of which 70 per cent will comprise unquoted and USM shares in the UK and a further 30 per cent will be taken from the over the counter market in the U.S.

Ian Clark, who will manage First Charlotte for Ivory & Sime, is firmly convinced that small is beautiful. Small companies, he believes are more flexible, generally have a good labour relations record, can grow quickly by capturing a greater share of the markets they serve and are relatively unencumbered by a heavy administrative superstructure.

He also claims that professional investment trust managers can take all the chore out of separating the wheat from the chaff in a market which is still limited and, where, by contrast with businesses with a full listing, the companies are subject to less stringent disclosure requirements.

It means that Clark will be looking first for the quality of management before examining other investment criteria. It is a technique the professionals like to call the "bottom up" view, which means, in effect, that the fund will first ensure that it likes the people running a potential investment candidate, and only then will it appraise the product which it makes, the sector in which it operates, the customers which it serves and the currency in which it sells.

The approach appears to work successfully. Ivory and Sime's Edinburgh American Assets Trust is 70 per cent invested in small U.S. companies and enjoyed 40 per cent capital appreciation in 1980 and claims 360 per cent growth over the past five years. Some of the winners it has picked out have been the high flying Data 10 and the Apple computer business.

But First Charlotte will be principally invested in the UK and there is no certainty that what works on the other side of the Atlantic, in a vastly more liquid and more private investor-orientated market, will work in Britain.

Lack of liquidity and, as far as the USM goes, lack of choice has been properly recognised by the scale in which First Charlotte is preparing to operate. By issuing shares worth only £3m, the fund managers believe they have curtailed the risk of gorging a narrow market. "We could easily have raised more," Clark says confidently, "but a portfolio of say £10m would have driven the market against First Charlotte."

He is convinced that First Charlotte is blazing a trail which others will follow and, in a wider sense, he contends that the full backing for small, well managed companies and the consequent reduction in the cost of their capital is economically important.

Because of the size and the capital needs of the companies in which First Charlotte will be investing, income will take second place to capital growth and the trust is not reckoning to pay its first annual dividend until 1982. It is, however, convinced that its assets will grow substantially as successful small companies go through the transition to full offers for sale.

The "hit" ratio should be seven, or perhaps, eight out of ten, the managers contend. If they achieve that level of striking rate, the listed route which First Charlotte is opening through the thickets of the USM may be worth travelling.

Investment managers vs the Index

UNIT TRUSTS

TIM DICKSON

THE BURST of excitement in the UK stock market has left many unit trust men gasping for breath. Figures from the magazine Planned Savings show that less than half managed to beat the Financial Times Actuaries All Share Index in the first four months of 1981 and that only 21 out of 438 funds did better than the FT Industrial Ordinary Index.

Little significance about the long-term attractions of unit trusts should be attached to these results for two reasons. First of all, four months is a very short time in the investment world and secondly, the increasingly large number of overseas trusts makes comparison with an exclusively UK index somewhat inappropriate. Nevertheless, the outperformance of the FT Actuaries All-Share Index by the usually more pedestrian FT Industrial Ordinary Index—the one widely quoted on radio and television—may give managers food for thought. For years now unit trusts have tended to compare their results with the narrowly based Ordinary Index, which is composed of 30 leading largely industrial shares.

This index is unweighted—in other words ICI and Boots are each treated as one unit although their stock market capitalisations are different—and it is calculated with the help of a complicated formula by taking the 30th root of the multiple of all its components and bringing in a constant to relate to the base day.

The result, however, is that an equal investment in the 30 shares which make up the index is guaranteed to beat it. The index is not a measure of share values, and its method of calculation imparts a downward bias.

In view of the inherent tendency to underperform and the fact that over the past few years leading industrial shares have been depressed, the FT Ordinary Index has proved to be a convenient yardstick for investment managers. It has been relatively easy to beat. For investors studying unit trust marketing literature and newspaper advertisements, however, it has flattered to deceive.

The FT Actuaries share indices, on the other hand, were specifically designed to measure portfolio performance. The FT Actuaries All Share Index, for example, covers over 80 per cent of the market by value; it is weighted and it is calculated in a straightforward arithmetic way — all the shares are multiplied by the price and divided by the number of shares.

The Unit Trust Association is trying to compile a new index to take account largely of dealing and management costs. In the meantime it will be interesting to see if the strength of leading industrial shares vis-a-vis the rest of the stock market encourages unit trust managers to concentrate investors' attention where it should be—namely on the FT Actuaries All Share Index.

On the subject of performance the Planned Savings tables show that over the first four months of 1981 Far Eastern and High Income funds have done best so far. After their former glories it is sobering to see so many of the commodity and energy funds at the bottom of the pack.

Beaming in on Malaysia and Singapore

A NEW unit trust is not in itself news but Target's Malaysia and Singapore Fund deserves comment for several reasons. For a start it is claimed to be the first authorised fund to concentrate exclusively on this area — Henderson Baring has a highly successful offshore vehicle—and as such it is arguably taking to a new extreme the modern vogue for unit trust specialisation.

Far Eastern funds for example at least have the choice of several stock markets and those based slolely in Japan are investing in the second largest market in the world.

Certainly the case for going through a managed fund in Singapore/Malaysia is strong: like Hong Kong and Japan there are peculiar local conditions which the private investor acting alone is likely to find confusing, if not alarming.

A look at the record of these markets, however, prompts the question whether Target has missed the boat in launching this fund. The Straits Times Index, which is the recognised indicator of share price movements in Malaysia and Singapore, has more than doubled in the last two years and more than quadrupled in the last six. Furthermore stockbrokers in London report that UK institutions who have enjoyed a taste of the action in South East Asia in recent months are now reducing their exposure to this area.

While admitting that some switching is taking place, the fund's investment manager Mr. Michael Bunker, strongly denies that the area has had its day. He feels that Singapore/Malaysia has developed its own identity and that the Fourth Malaysian Plan has sown the seeds of great prosperity for the banking, commercial and industrial sectors. The new fund will concentrate on these companies rather than the more familiar plantation and commodity stocks.

Ratings, he admits, are high —in many cases price-earnings ratios exceed 20—but thanks to the surge in earnings in recent years they have not changed substantially.

Tim Dickson

PROPERTY

Selling London in Nigeria

BY JUNE FIELD

WITH LONDON's bulging property registers, agents are once again on the move to promote business from overseas. Six months ago I reported on Aylesford's successful selling campaign in the Far East, Singapore, Hong Kong and Kuala Lumpar. Now Druce and Company are off on Friday to one of Africa's wealthiest states, oil-rich Nigeria, one of the world's most rapidly expanding economies.

According to Druce partner Mr. Stephen Benjamin, Nigeria is fast replacing the Middle East as the major source of buyers for Central London property. "We feel that as leading estate agents we must become innovators, constantly searching for new ideas on behalf of clients." As a result of some highly successful transactions with Nigerians during the last few months, the firm's latest innovation is a week-long exhibition and video-display of properties at the Holiday Inn, Lagos. "In the first few days there will be private viewings to selected VIPs, dignitaries and the elite business fraternity, and then it will be open to the general public," says Mr. Benjamin, who specialises in St. John's Wood, Mayfair and West End London properties.

Other senior management from the agency going along are Mr. David Silver (Knightsbridge, Kensington and Chelsea), Mr. Jeremy Bilder (Hampstead and Highgate), and Mr. Steven Parnes from the commercial and investment section (hotels and offices). Each office will be taking along particulars of some 100 properties for sale, which include maisonettes and mews houses, penthouse apartments and period cottages. Apartments vary from St. John's Wood studios at £25,000, to a seven-bedroom, seven-bathroom duplex at Albert Court, by the Royal Albert Hall, £450,000.

"The primary aim of the exhibition is to promote investment by the Nigerians in the English property market which has always been considered a safe haven both politically and financially, and has shown considerable dividends to many of the Middle Eastern buyers who invested here in the middle 1970s."

The company realises that Nigeria is not an easy country in which to do business. As a Financial Times report commented last September: "The climate, the traffic, the power cuts . . . the telephone system, the complex regulations affecting foreign investment . . . all these add up to a formidable list of frustrations and obstacles with which the foreign businessman has to contend." And in the current issue of Business Traveller, a Nigerian journalist reminds the reader: "Nigeria is a country with no set rules; you learn to play the game as you go along . . ."

The exercise will cost approaching £15,000, and there is no target for the volume of sales that might emanate from it. The whole operation is planned to be somewhat low-profile. "We want to put over that we can offer a professional, polished, discreet and expert service to those who are able to move funds around that they already have out of the country."

Much of the presentation will be aimed at the wives of prominent Nigerians, who have already been contacted by Druce's local representative Mrs. Sheila Parness. If you want your property included in the portfolio, or are looking for something in the areas mentioned, contact Mr. Benjamin Druce, at 54-56 Baker Street, London, W.1 (01-486 9351).

Right: Wimpole House, Wimpole Street, London, W1, where a three-bedroom apartment is for sale at £72,500 for a 55-year lease. It is part of the London Property portfolio which Mr. Stephen Benjamin, Druce & Company, is taking to Lagos, Nigeria, on Friday

Future homes

On my way to the HomeWorld '81 exhibition which opened this week at Milton Keynes, Buckinghamshire, Britain's most controversial and ambitious new town, I looked in at the spectacular £40m-glass-walled shopping centre, said to be one of the half-dozen largest in Europe. The lofty, marble-paved malls are filled with 30-ft palms, huge cacti, pines or other magnificent greenery. Outside in the square, performing seals were being rewarded with fish for their informed free entertainments regularly organised by the Milton Keynes Shopping Management Company which has included a puppet show, table-tennis and brass bands).

These are the touches that in the new part anyway, humanise a vast 22,000-acre city, designated in 1967, and now half-way through development, whose current population is 95,000, envisaged to grow to 200,000 by the end of the century. Its growth is based on a number of established communities.

Within the boundaries there are three towns and 13 villages. Bletchley, which grew as a market town, is an important industrial centre, and Wolverton was built as a new town around the railway workshops which opened there in 1848. The third village, Stony Stratford, dates back to the 13th-century.

It is just that as one comes off junction 14 of the M1, the first impression is inevitably of a never-ending motorway where builders' boards direct one to estates of serried rows of houses each year, it is claimed that they fulfill a need. Within the city, some 6,000 homes for sale have been built in the past 10 years, and more than 100 plots released for individual development.

Mr. David Crewe, Milton Keynes Development Corporation's information officer, says that producing around 1,000 new houses each year, it is estimated that the city provides about 1 per cent of the gross national housing product, and has an estimated 10 per cent of the total number of housing plots in the UK. A further 300 to 400 plots will be released this year.

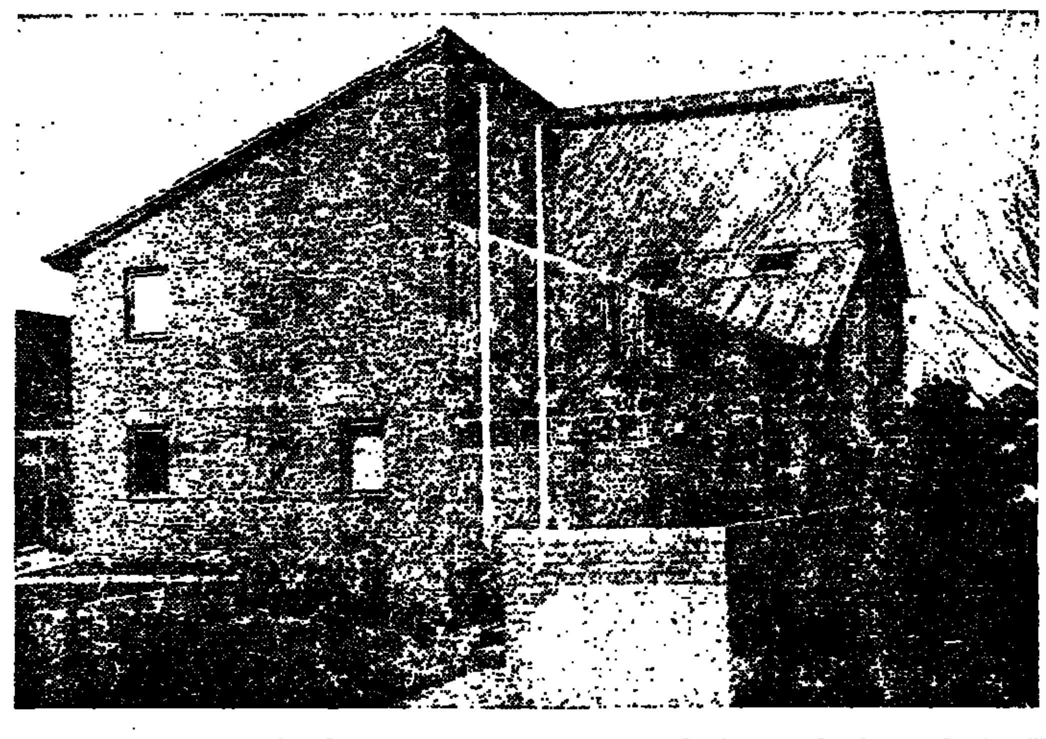
At Bradwell Common some 20 developers from Britain, New Zealand, Canada, Sweden and Denmark have produced between them 36 houses incorporating the latest exciting ideas in technology, construction and energy conservation. And while it is certain that many of the fuel-saving and insulation ideas (many already well-tried systems in other parts of Europe and the Americas), will eventually become an accepted part of British home-building, it will be interesting to monitor how many of the *avant-garde* exteriors, particularly those with leanings towards strong glass, will actually be put into production.

Not that the houses are only for show, you can buy them as they stand. And again, it will be interesting to see who will choose to live in this imaginative exhibition village.

Most of the houses are timber-framed, and one of the most distinctive designs that relies completely on the appeal of natural materials is the Vintage, by enterprising New Zealand architect Mr. Roger Walker. It is an almost High Victorian Gothic design, with a decidedly ecclesiastical flavour, that could look well in the countryside, and Mr. Walker says that it originates from the style pioneered by his country's early settlers.

The one on site is for sale between £40-£45,000 including the land, and "repeats" which can have individual design touches, will come over complete in one container. It is hoped to attract British builders on a franchise basis. Inquiries to Mr. Walker care of the HomeWorld project architect, Mr. John Muncaster.

● HomeWorld '81 is open until May 31 (except Monday, May 11 and 18), 10-9, admission £2, children 50p, including free parking. Jane Chapman, Information Division, Milton Keynes Development Corporation, Wavendon Tower, Milton Keynes (0908 74000 ext. 535), will send free information leaflet with details of rail, road and admission package.



Left: The Future Home 2000 at the HomeWorld '81 exhibition, Bradwell Common, Milton Keynes. Constructed using the Laing's Super Homes timber-frame package system, it incorporates many new ideas in building techniques and electronic hardware

LEISURE

Risky Florence

TRAVEL

ARTHUR SANDLES

THAT THE Florentine tourist business has survived two major obstacles says a great deal about its attractions. If the Florentines do not have a saying, "If the traffic doesn't get you then the climate will," then they ought. In Florence the cars, buses and, above all, the motorcycles slice their way through the ranks of residents and visitors alike.

You drive a rented car, or even worse your own vehicle, at considerable personal risk. As for the weather, Florence's bitter winters hurry into blistering summers with only a pause for brief rainy seasons which might loosely be called spring and autumn.

How is it then that Florence is one of the world's most popular cities?

Perhaps it is the magic mixing of such ingredients as the Bargello, Masaccio and *arista*—the first a startling museum, the second a 15th century Florentine artist, and the third an Italian gastronomic delight to be found at its best in Tuscany. The fact that this is chianti country also helps.

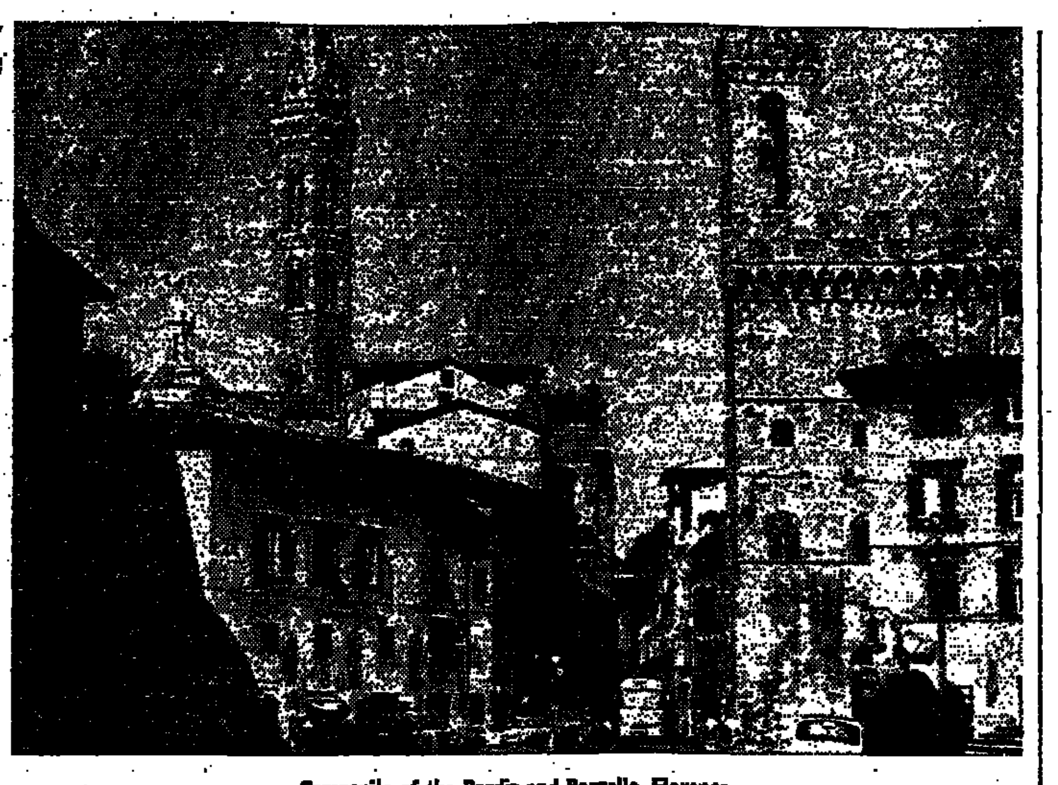
Given the right clothing, including a decent pair of shoes, and a quick wit to avoid the traffic which can appear from the most unlikely directions, the visitor finds that Florence's great joy is that it is a supremely walkable city. Most of the best known features of the city are within 15 minutes walk of the Duomo cathedral complex. Once into your hotel you can lock-up your car keys, for nothing is very far away.

I persist in this view in spite of the fact my last stay in the city was in the Regency Hotel, whose location in the Piazza Massimo D'Azeglio puts it a little off the beaten track. The Regency is one of the consistently and yet individualistically superb Relais network of independently owned hotels. It proved to be a haven of calm—facing a tree-filled square and with its own small Florentine garden. When you leave you know it is unlikely that you will ever stay anywhere else in the city in future.

Other people may make different choices; notably the Excelsior Italie, the Villa Medici, the Savoy and the Plaza H. Lucchesi, and each has its attractions. Florence, thank heavens, has no really large hotels. Even the grand Excelsior has only 217 rooms which, in these days of tower blocks and endless corridors, is almost intimate.

Florence, of course, is the home of the Uffizi museum, Michelangelo's David (at the Academy gallery, which can be confusing to find), the Ponte Vecchio and the Piazza della Signoria. It boasts a staggering wealth of artistic and architectural gems. The reader who is considering Florence will be aware of these attractions. Enough to say that they are wondrous and numerous. In particular I know of few more surprising joys than a first sight of the David original (there is a copy in the Piazza della Signoria). The large and beautiful statue waits at the end of a long corridor, bathed in a pool of light from a nearby window. You almost stumble upon it, if the word can be used of something of such size which you first see from 50 or more yards away.

The first time visitor is perhaps seeking guidance to more earthly pleasures. The food and wines of Florence are worth a visit of their own and, with the pound and the dollar riding high in Europe at the moment, British and American visitors in particular can now go to sample the tables.



Campanile of the Bardia and Bargello, Florence

Local specialities include *Arista alla Florentina* (saddle of pork, baked with a seasoning of garlic and rosemary), *Gnocchi verdi* (small green dumplings of spinach and cheese) and that remarkable *pasticeria* delicacy *Panforte*, a heavy and fruity pudding/cake which comes close to being addictive.

Sabatini is the best known Florentine eating house and justly deserves its reputation. Well worth trying is its version of *Fritto misto alla tuscana*, an impressively delicate dish for which the English translation "mixed fry" is ham-fisted.

Sabatini will set you back a few pennies — expect to top £20 a head — but in four others I will mention the bill on my recent visit rarely exceeded £6 a head, including lots of that delicious chianti.

At the top of my personal list I would put Mamma Gina on the Borgo Sant' Jacopo, 13 Gobbi, which you will find in the Via del Porcellana, and Otello in the Via Orti Oricellari. Otello is quite large, although the breaking up of the space into separate rooms reduces the impression of size. It leads the way in *hors d'oeuvres*, and is also conveniently handy to the station.

Quite good eating in less impressive surroundings can be had at Cantina, a downstairs restaurant in the Via de Pucci, and Celestino in the Piazza Santa Felicita.

As for shopping the best buys are leather goods and small pieces of jewellery. Remember that most stores, indeed most of Florence, is closed between 1 and 3.30 in the afternoon. You will find several interesting boutiques in the Via de Tornabuoni (including Gucci). The Bijoux Cascio and Mario Buccellati, are worth a look. A good starting point for leather goods research is the Santa Croce Church Shop in the Piazza Santa Croce. It is run by the church.

The best views of Florence are from the side of the Arno river opposite the main town. Cross the Ponte Vecchio and get to the Pizzale Michelangelo (a taxi this time, perhaps); the panorama is staggering, even if some of that Florentine rain is falling.

The best time of the year to visit the city is from now until the first week in June, and from late September until mid-November. You certainly risk rain, but probably not a continuous downpour. Given that Florence is all about sightseeing, the gentle autumn and spring weather is much more helpful than the 80-plus temperatures that mid-summer usually produces.

Even before the Chancellor relented and said he would take 10p a gallon off Derv, the Citröen CX2500D Safari was an ideal choice for owners who have to shift big loads over long distances. Its more than two metres of load platform is the biggest available. Self-levelling suspension not only keeps the Safari at a constant height, regardless of its burden; it also makes it an ideal towing car. Even with a two-ton yacht and trailer hitched up, it won't drag its tail. Ground clearance can be raised for traversing rough terrain; the high pressure hydraulic system energises the immensely powerful brakes and the direct, speed sensitive steering. And its lazily soft, but non-wallowing, suspension treats bumps (even when the Safari is well laden) with contempt.

The 2.5 litre diesel engine, combined with a five-speed gearbox with a sensibly high top, provides exceptional fuel economy. Despite the appalling weather—the M1 was down to a single lane for miles—I returned 35.3 mpg on *a 500-mile round trip a couple* of Sundays ago. The motorway was part covered in slush where the ploughs had passed earlier but the Safari remained reassuringly stable on a surface that other motorists preferred to stay away from.

Naturally, the Safari ignored the clouds of spray that had brought literally scores of petrol-engined cars to a standstill with swamped ignition on the hard shoulder. When conditions improved later in the day—and when the 60 mph third lane hoggers could be persuaded to move over—it cruised at a long-legged 70-75 mph. From past experience over the Channel, *I know it is just as relaxed at* 80-85 mph. And Citroen really understand seats. The Safari's are well shaped and supportive, but soft enough not to induce wriggling after a day of fairly arduous driving.

For Safari buyers, the diesel engine really is logical. It adds only £373 to the price, which a high-mileage user will recoup in the first 18 months, especially if he goes to the continent. It is a strong, smooth diesel, far from noisy at normal speeds, and willing to run up to 40 mph in second, 60 mph in third and 80 mph in fourth. The Safari 2500D costs £8,323, which includes electric front windows.

Technology's powerhouse

MOTORING

STUART MARSHALL

PORSCHE REALLY is the most extraordinary company, as one statistic reveals. At its main production plant near Stuttgart, 3,500 people assemble about 16,000 cars a year, two-thirds of them the air-cooled, rear-engined model 911 that wiseacres were writing off as obsolete in the late 1970s. And at nearby Weissach, no fewer than 1,200 Porsche engineers are at work on future projects.

Obviously, so large a research and development effort could not possibly be devoted to a company that makes only 35,000 or so cars a year. (The remainder are 924s and 924 Turbos. The Turbo's engine is assembled at Stuttgart, but the cars are built alongside the ordinary 924 at Neckarsulm.)

The answer is that Porsche is a powerhouse of high technology, serving the rest of the world's motor makers by evolving and perfecting new ideas. Porsche won't talk about the work they do — "We leave that to our clients to reveal," newly appointed chairman Peter Schutz told me last week. But the work is not confined to cars. Tanks, trains, lightweight structures, even transportable operating theatres are all grist to the Porsche mill.

The only cars Porsche has ever made are sports cars and they say that that is how it will continue. "If we tried to produce four-door saloons — even a four-door stretched version of the 928, we would be up against Daimler Benz and that wouldn't make sense. But it doesn't follow that Porsche sports cars of the future will be anything like Porsches of the past. We are well aware that the world is changing and we shall change with it," said Herr Schutz.

Impressed by the traction and, in averagely skilled hands, the great safety and utility of the four-wheel driven Audi Quattro, I asked Porsche if all-wheel drive had entered into their future planning. Of course, I was told: and by way of confirmation I saw several all-wheel drive versions of a medium-sized German saloon in the workshops at Weissach. It would have been like eavesdropping to have taken too much interest . . .

Not that Porsche needs to learn about four-wheel drive to make its cars go over rough country. I strapped myself into the passenger seat of a 911 with jacked-up suspension and knobbly tyres that had competed in the East African Safari Rally. The works driver set off at twice the speed that would have seemed possible in a Range Rover, leaping all four wheels off the ground over humps and proceeding sideways when we weren't airborne.

After that an up to 170 mph ride on the test circuit in one of the 1981 Le Mans cars seemed almost sedate. It was noisier than a similar ride in a 924 Turbo, which in some ways was more impressive because it showed what huge reserves of handling and roadholding remain unexploited when a "customer" Porsche is driven on the road by people like me.

Not all the work at Weissach is concerned with performance. I saw an immaculately rust-free Porsche 911 that somehow looked odd. It had been sprayed all over with a plastic compound six years ago before being painted. "We could sell cars like that today with a 10-year anti-corrosion warranty for less than the price of our present seven-year warranted cars but we are told that customers wouldn't accept the orange peel finish," said the Porsche engineer.

Porsche customers might not: but what about buyers at the Mini and Fiesta price level?

Time to spray

GARDENING

ARTHUR HELLYER

AS THE cost of producing new pest and disease control chemicals escalates into the millions there is a marked change in the attitude of chemical companies towards the home garden market.

Finance must be concentrated on production of chemicals for large scale commercial use in farms, market gardens, orchards and glasshouses and a good many of the chemicals produced for these professional users are, for various reasons, not suitable for amateur gardeners. Yet many of the older chemicals, which at one time were used almost universally, are no longer required by the professionals and are not worth manufacturing for what is, by comparison, the very small home garden market. I am constantly coming up against this problem when I mention what were once standard remedies such as Bordeaux mixture and lime sulphur, forgetting that, if they can be obtained at all, in a very few places it will be found only with some difficulty.

The problem is compounded by the unprofitability for both manufacturers and retailers of preparing a large number of pest and disease control chemicals for garden use in small packs. This can create confusion even among the shop and garden centre salesmen, let alone the buyers most of whom have only a vague idea of what their plants are suffering from or of the chemicals likely to cure them.

All this has tended towards a considerable reduction in the number of garden chemicals readily available and the issue of quite a lot of new products sold under brand names and often including two or more chemicals to give them a wider band of effectiveness and a greater staying power. One may observe this process occuring with Nimrod-T which is a mixture of two fungicides, benomyl and bupirimate, one of which is systemic i.e. it passes through the leaf surface into the sap whereas the other remains on the surface. Used too continuously on its own benomyl can give rise to resistant strains of some of the diseases it is designed to destroy.

But the mixture overcomes this difficulty and has become a very popular garden fungicide for use against mildews of all kinds, black spot disease of roses and many other troubles caused by fungi, the minute spores of which are carried through the air, fall on to plants and there grow and destroy as soon as conditions are favourable.

Combat Rose Fungicide is another example of the combination of two chemicals, in this instance maneb and carbendazim, to kill both mildew and black spot. Although maneb by itself has been a popular black spot control with many expert rose growers it is now easier to buy the mixture because it is more likely to be on the shop shelves.

Tumbleweed is itself a single chemical, glyphosate, which has made a rapid reputation as an almost universal weedkiller including such horrors as ground elder and sheep's sorrel. It has such a wide range itself that it really does not mean anything to increase this though I do sometimes wish that it would take effect more rapidly. However, I suppose to destroy the surface growth in a day or so with something like Weedol might prevent the glyphosate doing its own more deep seated eradication efficiently. Incidentally Weedol is the trade name for a mixture of two related chemicals, diquat and paraquat, which between them kill most plant growth at least to ground level and do it very quickly if the weather is sunny.

Let there be no misunderstanding about any of these herbicides, diquat, paraquat or glyphosate. They are more or less total plant killers making no distinction between garden plants and weeds. One makes them selective by the care with which they are applied only to the weeds, which almost always means using a hooded spray nozzle to prevent drift or a short sprinkle bar held close to the weeds either below the level or out of range of the leaves and green stems of garden plants. There are one or two oddities in the way they behave and I notice that where I use Weedol regularly, as I do around fruit trees growing in grass, forget-me-nots tend to multiply apparently relatively unaffected by the herbicide. I rather welome them as they make a very pretty show from April until June.

Tumbleweed has now been joined by Tumblebug, an attempt to make a universal insect killer by combining two quite different chemicals, permethrin and heptonophos. Permethrin is one of the latest additions to the growing number of synthetic chemicals allied to natural pyrethrum but more stable and reliable and many times more effective in killing insects though they are even less toxic to human beings and other warm blooded animals.

Resmethrin was the first to appear after years of research at the Government-controlled Rothamsted Experimental Station, soon to be followed by bioresmethrin which has similar properties and then by permethrin which lasts longer on the plants and is more effective against caterpillars though not so good against aphids (greenflies, blackflies and the rest of the obnoxious breed of plant lice). But these pyrethroid chemicals are not systemic. For some purposes you might consider that an advantage since they can be wiped or washed off whereas a chemical that enters the sap can only be removed by natural decomposition. But heptonophos is systemic and so it is claimed that Tumblebug will catch the insects that are there when you spray and also any others that may follow a few days later.

It is as well to remember that red spider mites are not insects. So when chemicals are described as killing all or most insects it does not necessarily follow that they will have *any effect* on mites. One old fashioned remedy that is still available and will kill red spider mites is derris. It is really quite a useful substance to have around, either as a dust for direct application or as a liquid for dilution with water since it is still quite a good general insecticide to which insects and mites do not become tolerant. But keep it out of pools if you have any fish because it can be deadly to them—but that is true of a good many chemicals.

There was a time when I controlled red spider mites quite happily with soft soap and water but I would not know where to buy soft soap today. I daresay household soap would do just as well but it would take a lot longer to dissolve.

However, there is an even simpler and cheaper remedy: water. There is nothing that red spider mites dislike more than being damp.

What about bees? Well water and soft soap will do them no harm but the safe rule with chemicals is never to spray anything that is in flower unless you absolutely have to. There are unlikely to be any bees on flowerless plants and you can spray as much as you like then and go to bed with a clear conscience.

Never use any chemical in the garden without first reading and understanding the label instructions. Never increase the dose in the hope that it will be more effective. I like those manufacturers which fit caps to their botles that also serve as measures. Finally never spray at all unless it is really necessary. It is waste of time and money anyway and it may do some inadvertent harm.

GOLF

BEN WRIGHT

IF GEORGE DUNCAN, once the professional at Mere Golf and Country Club, Cheshire, were alive today I would imagine he would scoff about the swingweights of our sophisticated matched sets of clubs, and give me a frosty, baleful glare if asked to compare the merits of Balata or Surlyn-covered golf balls. I have never paid much attention to swingweights, since my scientific knowledge is negligible. I know by feel whether or not I can use a club to the summit of my minimal ability as soon as I pick it up. But the two questions I am most frequently asked is: "What clubs and balls are best for me?"

Questioning the swingweight without taking into account the flexibility of the shaft, its weight, and the total weight of the club is useless. But what is swingweight, many people ask? Swingweight as I understand it is a measurement of the club's weight distribution about a point established a specified distance from the grip end of the club. This measurement is given a highly arbitrary value such as C-7, D-0, D-1, D-4 and so on. The earlier the letter in the alphabet and the lesser the number—the greater the swingweight. The greater the swingweight—the larger the proportion of weight *is in the clubhead* compared to that in the rest of the club.

Tom Watson's clubs are D-1 swingweight, so they are obviously unsuitable for an ordinary player. But D-1 clubs may have stiff shafts like Watson's, and weigh only 12 ounces, or have a flexible shaft and weigh 12 pounds. What is so critical is that the total weight of the club is balanced with the swingweight and the flexibility of the shaft to suit the strength of the player and his tempo. Why the swingweight alone is of such little importance can be illustrated by placing a banknote on the end of the clubhead while it is on the swingweight scales. Such a light piece of paper will change the swingweight nearly a full point. By contrast to add a five pound weight to the clubhead and ten pounds to the grip doesn't change the swingweight at all.

The flexibility of a shaft must be matched to one's strength and timing of the swing, the best results being obtained when it is just stiff enough to regain a straight configuration when the ball is hit ensuring that the clubhead is delivered square to the ball. A shaft that is not stiff enough for you will not be able to straighten by the time the ball is hit. A shaft that is too stiff will spring past the straight configuration before the ball is hit, and is thus bent forward at impact.

A shaft that bends nearer the hands and is relatively stiff nearer to the clubhead is said to have a high flex point or high flex distribution, while one that bends more in the lower area has a low flex point and distribution. Stronger, more competent golfers generally prefer a shaft with high flex distribution because it offers more control by shortening the distance between hands and the flex point, which in turn shortens the shaft's response *time*. *Shafts* with lower flex distribution are more suitable to less proficient players because they help them to get the ball airborne.

The weight of the shaft largely falls into three categories —conventional, lightweight and extra light—so you must choose a type to suit the tempo of your particular swing. Lighter shafts and clubs obviously allow increased clubhead speed, but this is totally useless if it destroys the tempo of your swing. So I hope you seek professional advice when choosing a set of clubs.

It seems there are two questions to be answered in comparing the merits of balata, a soft, natural rubber compound introduced into golf at the turn of the century as the approved golf ball cover and Surlyn, a hard, very durable thermoplastic substance developed by DuPont approximately 10 years ago. Firstly, are you most interested in distance, durability, consistency or feel? Second, do you hit the ball high or have difficulty in getting it to rise at all?

If you want consistency and feel you are almost certainly an above average player, since I have never known a hacker who did not want a durable ball that would fly farther. The Balata-covered ball has a softer feel and sound, has a thinner skin, and spin can be imparted to it more easily. Conversely a Surlyn feels and sounds harder, can be spun less readily, and has a cover approximately twice as thick.

For feel and consistency of flight there is no substitute for Balata. For durability there is no denying the merit of Surlyn. For distance there is little to choose between the two, but because of its lower trajectory and less spin it stands to reason the Surlyn ball will roll farther.

To sum up, a Balata-covered wound ball with rubber core wrapped in rubber thread before being covered is the best ball, but most vulnerable to cutting. A Surlyn-covered two piece ball is virtually indestructable, and in between comes my own choice, the Surlyn-covered wound ball.

Harold Wilson in the minefield of Israel's genesis

BY RICHARD JOHNS

The Chariot of Israel: Britain, America and the State of Israel
by Harold Wilson
Weidenfeld and Nicolson/ Michael Joseph £14.95, 406 pages

Harold Wilson attributes his love of Israel and his strong Zionist commitment primarily "to the teaching of religious history in our day schools and Sunday schools, chapels, churches, kirk and conventicles.". That may come as a surprise to observers who have not thought of the former Prime Minister as deeply imbued with a love of the Bible or concerned with spiritual values.

No doubt party political considerations have been a factor. Richard Crossman's Diaries indicated the extent to which members of the Labour Government from 1964 to 1970 felt it almost necessary to vie with one another in showing Israeli sympathies, a convention defied without any consistency by the truculent George Brown. To be fair, also, hard-boiled though he was with ambition from an early age, Wilson was moved evidently by a genuine compassion for the plight of what was left of European Jewry after the Holocaust.

Indeed, anyone, particularly, of his generation, must have a heart of stone not to be.

Wilson's avowed intention was to write an account of the interaction between British politics and the realisation of the Zionist design. He gives a readable enough account of developments from the time of Dr Chaim Weizmann's emigration to Britain in 1904 and his success in clinching the 1917 Balfour Declaration up through the growing troubles in Palestine to the issue of the White Paper of 1939 that set severe limits on Jewish immigration; and, understandably, in the circumstances of the Holocaust, it has always been regarded by Zionists and Israelis as an act of cynical betrayal. In doing so the MP for Huyton has added nothing new in a book that lacks any of the perspective or depth of Nicholas Bethel's *Palestine Triangle* or Martin Gilbert's somewhat polemical *Exile and Return*, with its pronounced Zionist bias, which were both published in 1979. Apparently more concerned with establishing his own Zionist credentials Wilson, as the grand sweep of his title suggests, seems to lose sight of his stated objective.

For him there is no difficulty in interpreting the less than precise Balfour Declaration, in which the British Government expressed itself in favour of a national home for the Jewish people and promised to facilitate the establishment of one, or in ignoring the proviso that "nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine." Nor is he prepared seriously to entertain the argument that, on the eve of the Second World War, Britain had good reason to avoid alienating too fatally the Arab and Islamic worlds, including the Moslem minority in India—not only to ensure oil supplies but also to defeat Hitler. For Wilson, who was at the time an Oxford don and as Premier would become the personification of "pragmatism," it is all very simple in retrospect:

"Recalling Churchill's judgment on the First World War, 'the allies floated to victory on a sea of oil,' the Chamberlain Government, backed by a spineless Establishment Press and the feeblest political entourage Britain has ever seen since the great days of Ethelred, was not only ready to appease Hitler and Mussolini, but was seen to be increasingly taking the Arab side in Middle East affairs."

Wilson is, at least, prepared to pay full tribute to Churchill's commitment to the Jewish people. But he is not willing to concede in print that the Conservative Government before the 1939-45 war and the Labour one after faced any dilemma with regard to Palestine. The MP for Huyton is at his strongest and most interesting in his attacks on Bevin, the Foreign Secretary, who after the conflict against Hitler had the hapless task of disposing of the Palestinian problem, and indirectly on the authoritarian Clement Atlee who tended always to back him. Wilson was a junior Minister during the critical period from 1945-48, probably too concerned about his future to have entered into any disputation on behalf of a state of Israel—if he had, then no doubt he would have claimed credit for it in this work.

"Bevin Cunctator," as Wilson calls Ernie, could be and is commonly regarded as having been inhumane in his heavy-handed adherence to the immigration quotas set out in the White Paper of 1939 and in his opposition to the partition of Palestine. Wilson does give him credit for his early appreciation of the menace of Communist expansionism but does not for a moment entertain the thought that he may have been acting in a hard-headed statesman-like manner, realising through reason or instinct the grave long-term consequences possibly ensuing from unconditional submission to Zionist pressures and acceptance of partition, the solution favoured by amongst others Arthur Creech-Jones, the Colonial Secretary. Wilson draws a gauche and revealing parallel between George III's handling of the American colonies. In the case of Palestine,

"there was the further complication of the Arab majority. It was as if George III in his dealing with the colonists had to be concerned about the need to consult the Indian tribes at every turn."

His most substantive charge is that Bevin's handling jeopardised relations with the U.S. at a critical moment for Europe's economic recovery. Here, however, Wilson seems to get into some confusion about Truman's electoral preoccupations and need to secure the Jewish vote. As it was, the issue was handed over to the UN and its messy territorial compromise was prematurely adopted, leading to the Palestinian exodus and fateful repercussions with which the civilised world is still having to cope.

For Wilson there are "three Western heroes in the Israeli pantheon"—Balfour, Truman and Churchill. In addition, he suggests Creech-Jones and Lyndon B. Johnson as deserving honourable mention. To the former there is only one factual reference in Abba Eban's memoirs and none at all in Golda Meir's to the colourless Colonial Secretary.

Wilson's own chance for an honourable mention came with the crisis of 1967 when he vigorously set about promoting a plan for a joint naval task force to run the Egyptian blockade of the Straits of Tiran. (The view of Crossman whose devotion to Israel was set in a far more rational mould, was "we should stand aside and let the Americans take the rap.") Wilson's initiative was overtaken by events.

LBJ was, certainly, amenable to Israel. He had advised Eban towards the end of May that "all our intelligence reports are that if the United Arab Republic attacks, you will whip the hell out of them" and cautioned him to the effect that "the central point is that your nation not be the one to bear responsibility for any outbreak of war." After the pre-emptive strike was launched, the U.S., it is known, called on the Israelis to halt their advance short of the Suez Canal but LBJ made no audible comment when they tried to sink the USS Liberty with heavy loss of life, which was monitoring the progress of the war.

Wilson ends his chapter on the June War with a long account of his meeting in the summer of that year and dealings with President de Gaulle, a man almost as high as Bevin in the demonology ratings of Zionism. Almost incredibly, however, he has nothing to say about the British-sponsored UN Resolution 242, the passage of which was a notable triumph for Brown and Lord Caradon. More predictably, Wilson omits to tell the unedifying tale of how his Government reached a secret agreement to sell Chieftain tanks to Israel in 1968 and then defaulted on the deal (having concluded a contract to supply them to Libya).

Crossman's Diaries seem to imply that the then Prime Minister kept aloof from the debate in the Cabinet on the issue. Through negligence, if nothing worse, Wilson missed then his opportunity of entering that pantheon. All his blusterings in October 1973 about the Conservative Government's refusal to allow delivery of parts and ammunition for Centurion tanks cannot condone what might be seen by his criteria, as something of a betrayal four years earler.

After Alexander

BY ROBIN LANE FOX

The Hellenistic World
by F. W. Walbank. Fontana (paperback) £2.95, 285 pages

The Hellenistic world arose from the career of Alexander. It stretched from Sicily to northwest India and flourished for nearly two centuries until the Romans took over. Right across it you could have travelled quite reasonably while knowing no language except Greek. Its cities and values persisted until the rise of Islam.

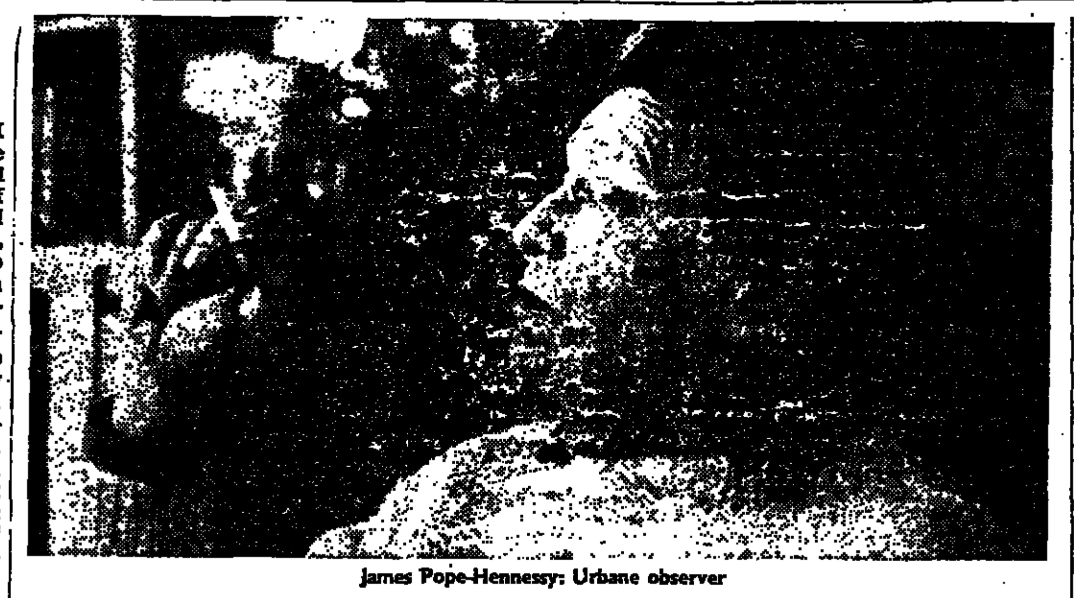
For every book on it, there seems to be 20 on Alexander himself. Professor Walbank is our leading authority on Polybus, the leading historian of the Hellenistic age. He is at his best on Greek affairs and diplomacy, the Leagues and political change, the foreign judges and the tenure of land. Anyone with an interest in classical civilisation would enjoy the result. It is the best book available in English, but it suffers from its series' belief that readers have to be subjected to frequent bouts of Greek decrees in translation, most of which are tedious unless you know how to twist their arms for a wider meaning. It will be a shame if this very good series is only used by students in a hurry. At times it aims at them rather most obviously.

So, perhaps, did most of the culture of the Hellenistic city. Professor Walbank handles the usual themes very skilfully and pays his respects to exciting topics across a wide range. There is much sound sense on the relations of Greek settlers and native peoples, but it could have had more of an edge, not least at the level of families and slavery. There are brief round tours of the achievements of Hellenistic science, many of which are quite astonishing. The geographers are listed and their main routes explored. The bias against applied technology is mentioned and there is an excellent basic account of the framework of the Ptolemies' royal economy. New finds are all worked in from Afghanistan to Palestine, and there is scarcely a chink in the Professor's judgment.

Inevitably, in 300 pages, there had to be a compromise between political and social history. Here, I feel that important areas have suffered. I miss all but the soberest sense of landscape, of Greeks faced with foreign cultures and of cities which patronised art and architecture. For my money, the Hellenistic age comes to life through its Greeks' faith in education. Here, the schoolroom takes only a brief bow.

It may have been wrong to equate the Hellenistic citizenry with a trading bourgeoisie, but this famous image raises questions about economic life and social class which are not faced head on. The impact of Greek trade and culture can be seen in this age through the eyes of the Jews. Here, Professor Walbank misses some important tricks and does not go beyond a brief picture of the Maccabean revolt. The chapters on science and the gods are too predictable. More important things have been written about Hellenistic religion than lists of its foreign cults.

Reading the Hellenistic poets, I have often wondered whether their Hellenistic world was as repetitive as the pre-war handbooks made it seem. Professor Walbank very nearly leaves the poets out.



James Pope-Hennessy: Urbane observer

Loner's letters

BY RACHEL BILLINGTON

A Lonely Business: A Self-Portrait of James Pope-Hennessy
edited by Peter Quennell. Weidenfeld and Nicolson. £12.50. 278 pages

James Pope-Hennessy was a writer, a Catholic and a homosexual. He was a man of great talent who wrote successful books on subjects as varied as the Slave Trade, English royalty, Anthony Trollope and the Far East. He was a man who had many friends including his devoted older brother, John Pope-Hennessy, but who suffered from a power for self-destruction which eventually led to his death.

This tragedy to which Peter Quennell refers in his introduction with an explanation but not a description, might dominate the reading of this book—as, for example, Joe Orton's macabre end coloured John Lahr's biography. This turns out not to be the case. On the contrary. The overall impression is of a brilliant, creative mind, warm-hearted and eager to like and be liked. There is no wallowing here in the misery he undoubtedly suffered of loneliness, promiscuity, alcoholism and economic mismanagement.

When Pope-Hennessy is happy, as he was most often in places furthest from England (Malaya was a favourite) he is effervescent, his pen flowing with adjectives, enthusiastically describing persons and places. When he is unhappy, he is still witty, still eager to disguise pain and entertain. "There is something in modern England which drives one to silly vices . . ." Who else but a writer of James Pope-Hennessy's style and courage could use that word "silly" to describe the failing. "the nostalgie de la boue" as Peter Quennell puts it, that was to kill him?

The "self-portrait" is made up of letters covering the whole period of James Pope-Hennessy's life, a diary dating from May 1930 to December 1952 and a collection of "Royal Portraits" he made when researching for his biography of Queen Mary. The letters, therefore, take up the greater portion of the book. They are addressed to a variety of people ranging from Nolwen de Janze (Madame Lionel Armand-Delille, later Mrs. Edward Rice and Lady Clark) at whose château he often stayed, to Len Adams, in Peter Quennell's description, his "fidus Achates, help-mate, guardian and confidant." There are many writers including Harold Nicolson. There are many women, usually beautiful and distinguished, often as in Joan Moore's case (now Countess of Drogheda) the object of the romantic-platonic cults that James Pope-Hennessy wove around the women he admired.

Yet he writes to all in the same tone (perhaps illustrating the democracy of the eternal outsider) and about the same things. Personal impressions dominate. Politics, current affairs had little interest for him. Although there is one very good string of letters ending with a classic blast to The Times when he takes on the British High Commissioner in Sierra Leone who had withdrawn an invitation to lunch after James Pope-Hennessy had joined an African protest march.

The letters have perhaps most to offer for the general reader when they record his travels. Far away places have always worked well on the Englishman's imagination. This is equally true of the diaries since, though honest—". . . as one's work goes better, so does one feel more sexy, I wonder why; you might expect the ratio to be inverse"—they are, as I have already indicated, hardly soul-bearing. Instead a line appears, sadly repeated in one form or another, "I have again been too depressed to keep this for three days. One cannot sit down and record this summer despair." The diaries, therefore, are not too different from the letters, which is presumably why he failed to keep them up.

The "Royal Portraits" are pure pleasure. Most enjoyable of all is the description of his visit to the Windsors at their "Petit Trianon" outside Paris. "The Queen Mother at Clarence House is leading a lodging house existence compared to this." He manages to be extremely funny about the Duke and Duchess without being cruel:

"I should be tempted to classify her simply as an American Woman *par excellence*, were it not for the suspicion that she is not a woman at all. She is, to look at, phenomenal. She is flat and angular, and could have been designed for a medieval playing-card."

The 15 pages of this portrait followed by other equally hilarious accounts of royal visiting alone justify the publication of this book. Peter Quennell quotes James Pope-Hennessy's conclusions on how to deal with royalty:

"It is *courtiers* who make Royalty frightened and frightening: taken neat . . . they are perfectly all right. This does not mean that they are as others; but you can get on to plain terms with the species, like an ornithologist making friends with some rare wild duck."

It probably takes one rare bird to appreciate another.

Mugabe land

BY CHRIS SHERWELL

The Struggle for Zimbabwe
by David Martin and Phyllis Johnson. Faber and Faber. £10.95, 378 pages

The currently fashionable Western view of Zimbabwe, a year after the country's legal independence, is that things have gone surprisingly well. Robert Mugabe's clear, if unexpected, election victory has turned out to be a blessing, he has used his authority skilfully and decisively, and recrimination and revenge have been virtually absent. The country has neither fallen apart nor fallen to Communism.

In fact, while life in Zimbabwe has almost certainly been safer for its inhabitants than if the election result had been less clear cut, beneath the veneer of continuity the country is in considerable turmoil as the new order, previously committed to change, takes over a still-functioning system. The interesting feature of Martin and Johnson's book is that, having been written from a standpoint so obviously favourable to Mr. Mugabe and his party, it nevertheless illustrates why we should all still be worried about Zimbabwe.

The nationalist struggle for Zimbabwe, it transpires, is as much a tale of mismanagement, duplicity and betrayal among black leaders as a gallant political and military onslaught over many decades on the citadels of white power and prejudice. If these black divisions couldn't be eradicated in a joint fight for the common cause of majority rule and independence, what hope now that they can be papered over in an effort to redress the iniquity of past white domination and meet rising expectations? The authors unfortunately prefer to leave the reader to draw his own conclusions.

With their priveleged access to information from Mr. Mugabe's guerrilla leaders and from the old Rhodesian military, Martin and Johnson nevertheless offer some fascinating insights on the escalating bush war over the 1972-79 period. But their account would have benefited by more information from the guerrilla army led by Mr. Joshua Nkomo, whose point of view appears to have been mislaid.

If the book also dwells a little too heavily on events already in the public domain, like the endless rounds of settlement talks and "talks about talks," it draws together well the strands of a complicated story, offers intriguing sidelights to slake any thirst for detail and, in some instances, yields genuinely new information — including remarkable accounts of Lonrho's involvement in protracted exchanges between Smith, Kaunda and Vorster, of sharp differences of opinion among the "front line" African states, and of the palpable ignorance on all sides of what was really happening.

The book is particularly fascinating for the points it makes on Smith's mistaken inclination to accept information on subversion from his Internal Affairs Ministry rather than the Special Branch and Intelligence, on the persistent failure of British, U.S., South African and black African leaders to understand Smith's determination not to yield, and on the key mediating role within Mr. Mugabe's fractious party played by Samora Machel for the Mozambican leader.

It is weaker in detailing the practical extent of rural breakdown in the latter stages of the war, or the true strength of the links between party leaders, guerrillas, activists and peasants.

As this book seems bound to set the tone of historical debate on guerrilla war and peasant revolt, it is a pity, with an even bigger problem growing ever more intractable further south, that Martin and Johnson do not draw out more explicitly the political, military and economic lessons of the brutal way Zimbabwe was born.

Crimes in short

A Splash of Red: A Jemima Shore mystery
by Antonia Fraser. Weidenfeld and Nicolson. £5.95, 229 pages

Liberated women have a house detective in Jemima Shore, the television personality and occasional investigator of murder whom Antonia Fraser has created. Like many male sleuths before her, this lady is a loner, as cool as she is clever, not above a brief carnal encounter but never allowing emotion or anything else to crease her Jean Muir clothes.

This third saga of her adventures takes us into the literary world. Jemima borrows the new Bloomsbury flat of her friend from Cambridge days, Chloe, a celebrated novelist whose love life is as complicated as her books are ordered. Antonia Fraser is amusing about society publishers, randy artists, monied drop-outs, British Museum friendships, intense women journalists, interior decoration, and Greek restaurants. The details are exact from Jemima's reading (Nadine Gordimer) to reviewers in the wings with names like Dr. Marigold Milton.

All the characters are so odious and self-absorbed that any could be a murderer. This is an accomplished, stylish, suspenseful book, but occasionally one longs for a more barbed approach to these beautiful but ever so boring people.

SARAH PRESTON

Deadlines
by Christopher Dunn
William Heinemann
£6.50, 214 pages

Christopher Dunn has undertaken an ambitious project in his first novel. According to his publishers he "takes the lid off the Fleet Street jungle and exposes the inner workings of the City mafia, bringing the two worlds together in a web of delicate intrigue."

Both intrigue and plot are far from delicate. Mr. Dunn's novel follows the career of an inexperienced City reporter, Tom Stone, as he attempts to unravel the business affairs of Wolf de Boys, a financier.

By the second page Stone is told by an anonymous caller that "Wolf de Boys is going bust," and his company "is finished."

Although the author's newspaper, the Daily Standard, is fictional he has staffed it with several recognisable "types" which he might have come across in his own career as a journalist on three national newspapers.

Through the experiences of his not very talented hero the author presents a thoroughly jaundiced view of newspapers and those that work on them. Senior journalists emerge "like eighteenth century grandees from the editor's office" after a mid-afternoon conference.

Inevitably, the general reader's tastes are catered for in more conventional potboiling fashion. Tom has trouble with his love life as his girlfriend's mother does not like him. Neither did this reader.

Like many financial thrillers in recent years the characters in this novel are not fleshed out enough; the dialogue is of the comic strip variety; and the plot has more holes than a gruyere cheese. Perhaps Mr. Dunn should not have been so ambitious with his first attempt.

JOHN MOORE

HOW TO SPEND IT

by Lucia van der Post

Private view

PHILIPS was first into the video recorder market but didn't seem to get it quite right first time round. Since then it's been back to the drawing-board and ever since last year has been attacking the market vigorously with new products. Latest rich man's toy from Philips stable is the Video Centre, photographed right. For your £1,600 you get a high quality 26 in colour television set with hi-fi sound; a 6 in black-and-white monitor set (runs at the same time as the colour set or can be used with a video camera to keep an eye on part of the house); and a VR 2020 video cassette recorder. It's all housed in one sleek cabinet and has a remote control panel so that the pampered tycoon has no need even to get up out of his chair. There are two headphone sockets and it offers the longest recording time yet—up to eight hours. Those who can't bear to miss TV programmes when on holiday can set the machine to record five different programmes on different channels over a 16-day period. It's on sale now at Harrods, John Lewis and Selfridges in London; outside London apply directly to Philips Video, City House, 420-430 London Road, Croydon CR9 3QR.

IF you're one of the 500,000 or so lucky people who already own a video cassette recorder then you'll need no convincing of the pleasures this most advanced of electronic toys can offer. It is one of the fastest growing markets at the moment with the experts, for want of any more scientific explanation, pointing somewhat lamely to the fact that in times of depression entertainment always booms (in the Thirties people flocked to the cinemas, this time round they're apparently staying home and watching TV or playing home movies).

It's been fashionable among the more cynical members of the population to say that it's much too early to buy a video. After all, they say knowledgeably, there are three different systems, all incompatible with each other, and until we know which is going to come out on top we won't commit ourselves. Well, all three are still about (VHS system currently has about 60 per cent of the European market, Beta about 25 per cent and Philips Video 2000 about 15 per cent), look like being about for a long time to come and in the meantime cynics are losing out on viewing time.

Other arguments against buying a set have included the one about the cost being bound to come down later as more people buy them. This may or may not be true — it looks as if prices may be kept up for the moment because of their current popularity and with the Royal Wedding coming up demand is unlikely to slacken.

Most persuasive of all has probably been the argument that the technology is bound to improve and that it is silly to buy a set until it is fairly advanced. Certainly technology is improving all the time and some of the early sets had to be withdrawn but it now looks as if the technology is very sound and anybody who really feels a video recorder would give him a lot of pleasure could be losing many happy hours.

Interestingly enough *Which?* in its April issue took a look at the comparative costs of buying or renting a recorder and found that taken over two years or more, buying a set for cash works out appreciably cheaper. Even buying on credit works out cheaper if compared with renting over a period of three years or more.

For cautious souls who still can't make up their minds which system to opt for (if you only want to tape your own films or TV programmes it won't matter — it's only when it comes to buying pre-recorded material that it counts when only compatible tapes can be used) you can now rent a set for as little as about £17 a month.

The current fairly typical cost of a VCR is about £500, though, as with most things, it pays to shop around. Rumbelows stores, for instance, are currently selling the Sanyo VTC 9300p, which takes the Betamax system, for £399.99. Interestingly Rumbelows is also selling EMI Betamax blank tapes at £8.99 as opposed to the usual £9.99 and from June onwards will be launching a video club which will offer pre-recorded tapes as well.

If you want a more sophisticated system, say one with features like a freeze frame and a picture search (like Sony's C7), you will have to pay considerably more — the Sony version is £850.

If you think you'll want to use a lot of pre-recorded material and fancy running re-runs of films on your own set, then you are probably wise to look at the compatible software first. Software, for those who are new to the game (as with any hobby there is a whole new vocabulary to be learned) is the film or pre-recorded programme on the tape that is put into the machine (the hardware). Just to confuse you further video discs, which are to video cassettes as records are to tapes, and are a whole new ball game, will be coming next year.

For the moment the systems which have the biggest share of the market, i.e., VHS and Beta, have the largest choice of software but Philips is promoting its Video 2000 system strongly and hopes that many more software manufacturers will offer their wares for its system.

WHERE TO BUY THE SOFTWARE

As the video cassette market is growing at such a pace more and more firms are moving into the software market and almost every week new outlets are opening up. The best way of keeping up to date with these is to buy one of the many video magazines on the market which either feature the rental clubs and new shops editorially or are copiously sprinkled with their advertisements.

Intervision, Unit 1, McKay Trading Estate, Kensal Road, London W10 issues a catalogue of the films it offers. A subsidiary of United Artists, it supplies about 500 titles and all are available for all systems, including the Philips VR2000. Films include such classics as *Annie Hall, A Bridge Too Far*. Rental costs are £5.95 for three days, £7.95 for a week for United Artists products; others cost £4.95 for three days, £5.95 for a week.

Woolworth stocks *pre-recorded material for just* the VHS and Betamax systems. It offers some 150 titles at a cost varying between £29 and £49. It has also just started a rental club—after paying a refundable fee of £30, a film can be hired for £5 for three days. Available at about 100 stores.

The Video Shop at 9 and 18 Tottenham Court Road, London W1 and 5 Shaftesbury Avenue, London W1 offers pre-recorded cassettes for the VHS and Betamax systems only. About 1,900 titles are now on the market but only about 300 are available for rental. Prices vary from £20 for children's programmes up to £35 to £45 for feature films. Free catalogue available from above addresses and a mail order service operates from 9 Tottenham Court Road, London W1. Rental charges are about £5.95 for three days plus a refundable deposit of £40.

Carnaby Video, 26 Carnaby Street, London W1 and Video Cassette Shops at 62 Charing Cross Road, London WC2, and in the London Experience, Coventry Street, London W1 all sell VHS and Betamax tapes at prices ranging from £19.95 to £39.95. Option Purchase Plan available too—you pay the full cost of the tape then when the tape is returned you are refunded the money minus £5 for every week you kept it. Mail order available from 26 Carnaby Street, London W1. Free catalogue available by post.

Variations on a vegetable theme

BY JULIE HAMILTON

ENGLAND produces the finest vegetables in the world; so said E. S. Dallas, author of *Kettner's Book of the Table* in 1869. But he notes that no Englishman would consider eating vegetables as dishes on their own. The French serve a vegetable dish at the end of a dinner which is as much coveted and counted on as the pudding and tarts are by children at an English table.

I believe we have advanced a little since E. S. Dallas wrote his book, but not enough. How rare it is to find a menu that offers the vegetables as dishes in their own right; they are nearly always an accompaniment to the meat course. We are conditioned to think of "meat and two veg" as the correct way of planning a meal. Any diversion is considered daring, unusual and different. Of course, I do not include the vegetarian in these observations.

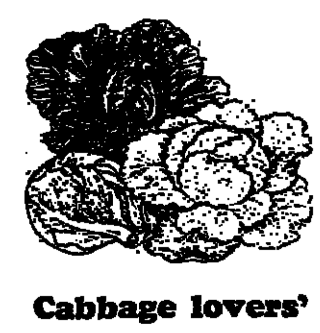
The recipes which follow would not necessarily meet with the approval of Mr. Dallas as I believe he commended the serving of lightly cooked vegetables glorying in their own delicate flavour. I think we have all learned the art of not overcooking our vegetables by now and have already delighted in their simplicity. So let us consider a few vegetable dishes good enough to be served as a separate course.

Spinach and potato casserole

serves 4 to 6

1 lb spinach; 2 lbs potatoes, cooked and mashed; 1 medium onion; 1 small green pepper; 2 oz bread crumbs; butter for frying; 1 oz grated cheese; 1 teaspoon lemon juice; salt and pepper; 6 oz cubes of cooked ham (optional).

Chop the spinach and parboil it. Drain. Chop the onion very finely and saute it in butter. Add the green pepper sliced thinly. When the onion is transparent add the spinach, salt, pepper and lemon juice. Butter a baking dish and put a layer of the mashed potatoes (which should be as fluffy as possible and seasoned) in the bottom, cover with a layer of the spinach mixture, sprinkle a few cubes of ham if using and cover with potato; repeat process until all ingredients are used up ending with potato. Mix the breadcrumbs and cheese together and sprinkle on the top. Bake long enough to heat through and brown the top at approximately gas mark 6 (400F).



Cabbage lovers' cabbage

serves 4

Cabbage is a most versatile vegetable. Eaten raw in salads its flavour is quite different from cooked, and cooked briefly it is mild in flavour. Cooked long and slow it has a strong flavour.

The following method brings out the flavour and yet, despite the length of cooking time, still retains its bite. Anyone who really loves cabbage will enjoy this dish. Any variety of cabbage may be used but I find the leafy green type better than the hard white type.

1 lb cabbage; 3 oz butter; 3 oz bacon; 12 juniper berries; 1 teaspoon caraway seeds.

Chop the bacon and fry in the butter. Shred the cabbage fairly finely and add it to the bacon, when the bacon is nearly but not quite crisp. Stir the cabbage well to coat it with the fat and add the caraway seeds and juniper berries (a large frying pan is best for this). Place on a very low heat and cook slowly stirring frequently for at least half an hour but longer if you prefer a stronger flavour. Season to taste with pepper and salt.

Tagliatelle with fennel

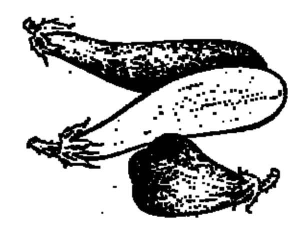
serves 4

In *Jane Grigson's Vegetable Book** there is a delicious and simple recipe for fennel. It makes a wonderful light supper dish.

2 heads fennel, trimmed and quartered; salt; 1 lb tagliatelle; olive oil; plenty of grated Parmesan cheese; and the fennel feathers.

Cook the fennel until tender in plenty of salted water, lift them out with a perforated spoon, slice them and keep hot. Cook the tagliatelle in the water in which you cooked the fennel. Drain it well and combine with the fennel and some olive oil (2 or 3 tablespoons).

Sprinkle the fennel feathers over with a little cheese. Serve hot at once offering more Parmesan with it.



Aubergine pie

serves 4

Aubergines make a very rich vegetable dish and really do not need any meat to accompany them: nevertheless, this dish would enhance any cold meat if necessary.

2 large aubergines; 3 hard boiled eggs; 6 tomatoes; 1 green pepper; 1 large clove garlic; fresh basil or marjoram to taste; 2 oz breadcrumbs; Parmesan cheese (optional); good quality olive oil for frying.

Slice the aubergines fairly thickly and sprinkle with salt. Leave to stand for half an hour. Drain and dry them. Heat plenty of olive oil and fry the aubergine slices until well browned on both sides. It is best to fry a few at a time. Slice the tomatoes thickly and fry them separately with the basil or marjoram. Chop the hard-boiled eggs and green pepper finely.

Line the bottom of a baking dish with half the aubergines, place the fried tomatoes on top of them. Sprinkle the eggs and pepper on top of the tomatoes, add the crushed clove of garlic and top with the other half of the aubergine. Sprinkle on the breadcrumbs, dot with olive oil and a little Parmesan cheese (optional). Bake in a hot oven gas mark 6 (400 F) until well browned and bubbling. Delicious hot or cold.

Celery, carrots and cider

serves 4 or 6

Celery and carrots cooked together in cider are quite delicious with ham hot or cold. It is important that the cider is a very dry one.

1 head of celery; 1 lb carrots; 1 pint cider; 1 heaped tablespoon chopped parsley; salt and pepper *freshly ground*.

Trim the celery and cut it into 2 in lengths. Peel and slice the carrots also into 2 in lengths. Bring the cider to boil in a large saucepan and add the carrots. Cover and simmer for 10 minutes, then add the celery and seasoning and continue to simmer for a further 20 minutes covered. Strain the vegetables (retaining the liquid) and place in a warmed dish. Now reduce the liquid by fast boiling until you have about 3 or 4 tablespoons left. Pour this over the carrots and celery. Sprinkle parsley over and serve at once.

** Jane Grigson's Vegetable Book (Penguin Handbook £3.50) is a wondrously comprehensive compendium on all you ever need to know about vegetables, and more. The words are peppered with delicate illustrations by Yvonne Skargon, some of which are shown here.*

Postscript

It's no secret that carpet manufacturers have been having one of the roughest times of all, which no doubt accounts for the fact that currently all Waring and Gillow and Maples' stores are offering a large selection of carpeting at very reduced prices. All the stores guarantee that their prices are the lowest in Britain—anybody who sees lower prices elsewhere within 28 days of buying will be refunded the difference. Until May 25 the stores offer a huge selection of branded carpets (including several of the popular plain Berbers) at prices ranging from £14.95 per sq yd down to £4.95 a sq yd.

★

Soap on Tap falls inevitably straight into the "why didn't they think of it before?" department. In America, where it was invented, it already claims 10 per cent of the soap market, whereas here it has only just been launched. Soap on Tap is very much what it sounds like—liquid soap, which moisturises and conditions (and, I imagine, cleans) and emerges from its dispenser when the plunger on the top is pressed. No more gooey cakes of soap, no more dried-out cracked bars. Each container has enough soap for up to 300 hand washes and costs 95p from Boots.

Sketchley, the dry cleaning company, is making a huge and, in my view, long overdue effort to improve the image and, more to the point, the service of its own firm in particular and dry cleaning generally. Recently Sketchley has launched several new services, one of which, much welcomed in our household, is for ties: It is called rather grandiloquently, the Tie Valet Service. It claims to rescue ties suffering from classic stains and to give it the kind of hand-finishing treatment that well-worn ties may need—linings and seams are repaired, labels re-stitched.

If the tie is done alone it costs £1.50. If you're having other cleaning done at the same time you will pay less. Then there's the Keep-a-Krease Service for trousers—this costs £1.25 and guarantees a crease for a year.

Timely, for this season of the year, is the duvet cleaning service which Sketchley offers at all branches. The service takes 10 to 14 days and is £7.95 for a double, £6.95 for a single.

The company tackles duvets with man-made or natural fillings and if you don't live near a Sketchley shop write to Sketchley Cleaners, PO Box 7, Rugby Road, Hinckley, Leicestershire, giving your name, address and telephone number. Mark your postcard "Duvet" and Sketchley will then inform you of the nearest branch.

ARTS

Burning issues

BY B. A. YOUNG

Four months' intensive exposure to the wireless, three of them without the alternative of television, have led me to a conclusion which I am keen to see overturned. It is that the BBC no longer regards radio as important except in the field of entertainment. The entertainment it provides, whether classical music or pop, drama or sport, is a bargain of great generosity, especially since the abolition of radio licences. But the burning issues of the day, when they are dealt with at all, seem only to be dealt with on a popular magazine level.

There were two burning-issue programmes on Radio 4 this week. Mary Goldring's investigation into the public's attitude to the Common Market, where she probed the effect of the EEC on coal, steel, farming and the motor industry, was one, an exemplary choice of subject. It is for more expert commentators than I to judge her conclusions; the only point I have to make at this moment is that there should be more programmes of this kind. There should be radio equivalents of *Panorama* and *Weekend World*, where men and women in public affairs had an opportunity to present their views to us, the voters. (I'm not thinking of party political broadcasts, though. These hardly even qualify as entertainment).

A second burning issue was raised in *Policing the 80s*, the first programme of an eight-part series dealing with what Radio Times calls "the style and quality of law enforcement in Britain today." If ever there was a burning issue, here it is, when the coppers are driven to call for better protection from rioters, and prison officers to call for better prisons. This programme was transmitted at 10 o'clock in the morning, long wave only. I wonder what the listening figures were for that? Radio's idea of public affairs seems to involve not burning issues but fizzling ones. While television stirs up trouble with its views on "brain death," radio gives us a couple of programmes on faith-healing. I found the report on Major Brian MacManaway, a retired officer who has been a faith-healer for nearly 40 years, interesting, but could there not have been some more searching investigation into the mechanics of the business? We heard a GP, who has had his own and his family's illnesses cured by the major; we heard a scientist, who told us of the characteristics of the alpha and theta rhythms of the brain in patients who are in "the fifth stage of consciousness," a phrase used not by a scientist but a guru. No voice was heard to dispute anything that was said, nor to make any serious medical comment. *Panorama* would have done better than this.

Lower down the scale is a weekly programme called *Checkpoint*, in which Roger Cook investigates cases of alleged dishonesty and injustice rather in the manner of Esther Rantzen—*That's Life* without the jokes. The exposure of petty frauds is not my idea of dealing with public affairs. As a matter of fact, I think it should be confined only to local radio; otherwise one gets the impression that Mr. Cook is trying to extract entertainment from misfortunes that ought to be passed to a solicitor's office rather than a broadcasting studio.

True, the county council elections, like general elections, can provide amusement as well as information, and Radio 4 certainly coped with those generously enough, staying open until 1.30 in the morning, half an hour later than BBC2. After that you could turn to nice Brian Matthew on Radio 2, or to LBC or whichever local station serves you, unless it happens to be mine, which would have closed hours before.

Back to entertainment then, and back to Radio Theatre 81, which on Thursday gave *Ezra* by Bernard Kops on Radio 3. This sounded as if it were written expressly for radio, but you can go to the Half Moon Theatre in Mile End Road and see it on the stage. Ezra is Ezra Pound, admirably played for radio by Ian Holm, and Mr. Kops has caught him in the cage where the Americans kept him in 1945 while they prepared a charge of treason against him.

Ezra's mind is full of voices, at first imaginary voices of Vivaldi and of Mussolini and his mistress Claretta, then, as reality draws nearer, of his mistress Olga and his wife Dorothy. Ultimately there is the cold voice of his interrogator. The trial is only hinted at and it is followed by a gap of a decade. In 1958 another court decides that Pound was insane when he made his anti-Semitic broadcasts. Bernard Kops, himself a Jew and a poet, hasn't told the story literally, only poetically, and on the air it was most affecting, I thought.

Anna Karenina

BY DAVID MURRAY

Iain Hamilton's romantic opera has been most handsomely treated by the English National Opera at the Coliseum. The première on Thursday displayed sterling professional virtues at every level, from Hamilton's work itself (not only the music, but the hewing of a stageworthy libretto from Tolstoy's novel) through Howard Williams' well-prepared confidently paced account of the score to Colin Graham's fine production—and it has been cast unstintingly from strength. Loyalty to Hamilton's vision of the story is absolute, and the result lives and breathes: temperate and familiar air, admittedly, but freshened by Hamilton's utter dedication to Tolstoy's people.

The story is very fully told, and therefore lengthy. The authorial figure of Levin is only an offstage object of mention; the other principals appear in the round—not costumed cut-outs, but characters dramatised in detail. A more concise operatic *Anna* might have reduced Tolstoy to noveua-scale, which would be unforgivable. Hamilton is no Verdi, and despite the profusion of set-piece monologues, duets and ensembles, the strands of the dramatic action are rarely clinched by an incisive musical statement; it proceeds rather in a sort of *arioso* recitative, and individual numbers—well-made, sometimes striking—serve to give it lyrical expansion. At the crisis of Anna's fever, husband, lover and brother unite in a powerful conflicting-emotions trio. The closest model is middle-period Richard Strauss, for the operatic technique, and especially for the manner of setting conversational text in ripely curved vocal lines.

Leonard Burt

The opera is generous to its singers, reserving orchestral assertions chiefly for the interludes and exploiting only the usual vocal means of the late Romantic repertoire—though to the point of exhaustion in the case of Anna herself, an enormous and enormously taxing role. Luckily the Coliseum has Lois McDonall for it. I think that preparing the part has worn some lustre from the upper reaches of her soprano, but it is a lovely performance, as strong as it is subtly elaborated. Miss McDonall's easy, seductive dignity is ideally found here, and she etches a whole personality into many a phrase. Karenina is firmly sung by Geoffrey Chard, who risks seeming a cartoon dry-stick in the early scenes but eventually makes his stiff-necked decency tell. The tenor Vronsky is Geoffrey Pogson, wearing an air of indecisive glamour supported by a neatly honed vocal address.

There is a cheerful, sympathetic Stiva by Alan Opie, and his Dolly—Della Jones—is a jewel: vivid, sturdy and alert. Vronsky's rejected Kitty disappears early, but Janis Kelly makes something touching of her while she lasts; later Malcolm Rivers as Prince Yashkin lends virile support to the musical action, another welcome, solid character where we might have had only a lay figure. There are distinguished singers ornamenting still lesser roles, too. Conviction reigns quite generally.

In this opera Hamilton's musical idiom has joined hands with the early post-Romantic tradition. Such contemporary devices as crop up in the score are digested into an overall sound flow that echo a style which is a half-century old. A specifically Hamiltonian voice is hard to detect, but so is anything much like plain borrowing: some late Mahler surfaces occasionally in the orchestra, and in the ballroom waltzes Ravel's *La Valse* is distractingly close at hand—close enough to seem deliberate, but surely a mistake. Elsewhere the music vibrates palpably with nerves and feelings, which is more immediately important than the absence of a unique composer's signature.

The rendering of the story for the stage is daringly fluid, and Colin Graham's production realises it gracefully, dealing resourcefully with the trickiest junctures and lavishing attentive insights upon the characters. Ralph Koltai's settings, which trade brilliantly on projections, answer unfailingly to Hamilton's and Graham's demands. The whole is a considerable triumph of intelligence and care.

Covent Garden in Manchester

BY RONALD CRICHTON

After a long break of 17 years the Royal Opera is once more performing in Britain outside London. Not a tour, but a big season lasting until the end of the month, at the Palace Theatre, Manchester. Four operas — *Otello*, *Lohengrin*, *Tosca* and the *Die Zauberflote*; star casts of London quality. For the first night on Thursday they gave *Otello*, an understandable choice for the redecorated and modernised theatre. Though the venerable Covent Garden production by the late Peter Potter was seen during the company's last visit to Manchester several years ago, the old Wakhevitch sets for the middle act still look good, and show off the large stage to advantage.

The performers under Sir Colin Davis proved that the spectacular side of Grand Opera can now be properly displayed in at least one theatre outside London. About the musical results one may not be so positive. The extended and deepened orchestra pit was dampening the bass lines, swallowing the woodwind, taking the glint off the scherzo music for Iago and Cassio in Act III and blunting the impact of big chords.

Davis strove manfully, visibly, not always successfully, to overcome the difficulties. In the circle the voices came over strongly, sometimes too revealingly. I saw the last act from the back of the stalls, not regarded as a favourable position, yet found the blend dry but on the whole preferable. Acoustics are a matter of personal taste as well as fact—better postpone judgment until later. Meanwhile, adjustments will surely be tried.

The only unfamiliar face among the leading singers was the Bulgarian soprano Stefka Evstatieva, making her British debut as Desdemona. A good, strong, shining voice used for the most part with unruffled competence if little imagination. She did not appear to have received much direction—it is hard to recall a Desdemona making so little of the last Act outburst to Emilia while voicing the phrase so securely. All the same, her vocal quality ensures that one will want to hear Miss Evstatieva again.

Carlo Cossutta in the title-role sang the first two Acts under difficulty. Sir John Tooley asked indulgence for the tenor before the Third Act whereupon, in the monologue and in the death scene, Mr. Cossutta's singing promptly acquired the subtle shades and the involvement previously lacking. Piero Cappucilli took the role of Iago of which he remains master—it may be optimistic at this stage to expect him to show fresh insights. The chorus made the most of sudden supremacy over orchestra. As for the theatre, auditorium and public rooms are indeed a triumph of rich but not gawdy restoration.

Isadora

BY CLEMENT CRISP

Returning to Covent Garden once more, one sees that *Isadora's* power is generated not just by the energy of its central characterisation, nor merely by Kenneth MacMillan's decision to use every resource available to him in the theatre. It derives some of its force from the dramatic skill of the Royal Ballet's artists who fill out—and how admirably—the many secondary characters who are seen in the vivid flashes of Isadora's temperament.

Like *Mayerling* and *Manon* it calls for dance-acting of bold effects, and at every moment personalities seem credible, memorable. Rosalind Eyre tells us a great deal about Isadora's sister when, after seeing the first child pupils, she makes a Duncanesque gesture and observes its effect in a looking glass; Derek Deane's Beregi is a portrait of a vain, thoughtless actor, done with great economy.

These were incidental pleasures in a performance on Thursday night which brought major cast changes. Most important was Sandra Conley's appearance as the dancing Isadora. It is a reading more emotionally warm than Merle Park's. Less assured in the early scenes, it gains from Miss Conley's ability to characterise Duncan's solos. The dance after the death of the children, and the *Marche Slave*, have exactly that pictorial quality that so amazed Isadora's public.

Wayne Eagling was the Craig of the evening, and magnificent: the dance done with sinuous bravura, the sensuality and boredom (and the selfishness) very well suggested. Anthony Dowson was a new Essenin, less of a peasant genius than Stephen Jefferies, but credibly a poet. And Mary Miller, whose interpretation of the speaking Isadora is worth the ticket price on its own, continues to give a performance of blazing truth: Isadora was like this.

Overheard

BY MICHAEL COVENEY

Thursday night's opening of Peter Ustinov's new comedy at the Haymarket Theatre demonstrated once again how the Theatre in Aspic is outlasting the Theatre of Cruelty. Here we are again in good old Ustinovia, somewhere on the earthquake belt. Ian Carmichael is an impeccably dull British Ambassador taking breakfast with Deborah Kerr in the Winter Garden. They no longer speak to each other, preferring to intone West End platitudes that make Terence Rattigan, even now, sound like an enfant terrible.

Enter on cue, crashing through the gazebo, a Russian dissident poet seeking asylum. Aharon Ipalé, of flashing eye and hairy chest, lolls around like a Cossack dancer before seducing Miss Kerr and the Embassy secretary (Tammy Ustinov discards her spectacles to register the seismic impact of sex), inadvertently rescuing the marriage and tying up a diplomatic brouhaha too tedious and badly acted for words.

All parties are bugging each other and Abdul the servant is the first to drop the hint with his pidgin Russian soliloquy directed at the ceiling. Underneath it all, Mr. Ustinov is saying something about talent and humane procedures only finding an outlet nowadays in small countries, which is why Ian Carmichael will never get to Paris or Washington.

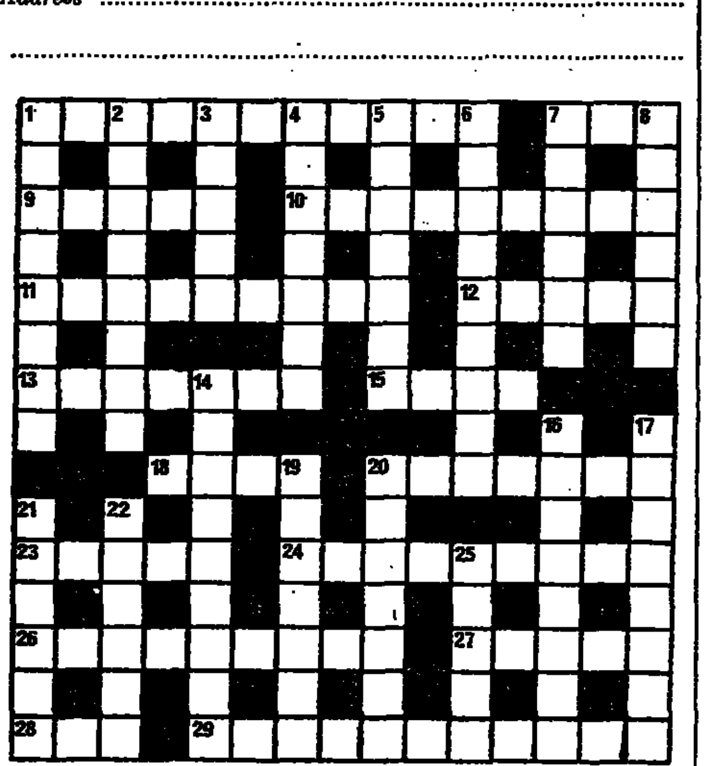
There is a continuous disjunction between the style of play and the use of modern idiom. Thus uneasy bursts of laughter greet such daring words as "intercourse," "shit" and "intellectual" (the last goes down best, of course). It is a quite appalling evening, dreadfully directed by Clifford Williams and containing as much life and contemporary appeal as a stuffed dinosaur.

F.T. CROSSWORD PUZZLE No. 4,564

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



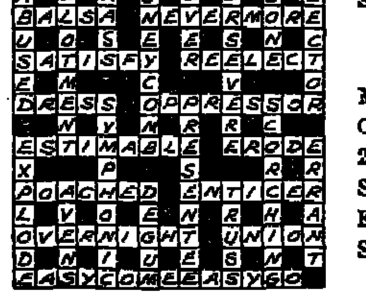
ACROSS

1 Man's musical assembly? (5, 2, 4)
7 Lower mortgage (3)
9 Fit or equip with high-tension (5)
10 A fetching companion in a coat of gold? (9)
11 Inelegant sort of sweet brier . . . (9)
12 . . . so is a variety of "Traveller's-joy" (5)
13 A stiff examination? (7)
15 It's gravel—time to ring doctor (4)
18 Records in the charts (4)
20 Flourish produced by air force (7)
23 What is the point of a musical pitcher? (5)
24 Like somebody legally authorised . . . (9)
26 . . . deserving our good opinion—(table semi-round) (9)
27 Common obsession about night (5)
28 Eye-opener and effective restraint (3)
29 Business producing clear profit—cricketers need it (3-8)

DOWN

1 One up on Rosinante, for example (8)
2 Animal-glue aunt unstuck (8)
3 School said to be assimilated (5)
4 Add extra vitamins if in that certain age (7)
5 A fine copy (7)
6 Popeye is a normal sort (9)
7 Scheme to put power in river (6)
8 Local district equal to his re-distribution (6)
14 Tiller whose course might be set at the meridian (9)
16 Composer, violinist and heathen in one (8)
17 e.g., a lease collapsed—main predator appears (3-5)
19 Objection to dismissal from member of early consort (7)
20 Don't mention this ancestor (7)
21 Charm of a soft chime (6)
22 How one sportsman took a blue? (6)
25 Scotch governor? (5)

Solution to Puzzle No. 4,563



TV/Radio

BBC 1

† Indicates programme in black and white

8.05-8.30 am Open University (Ultra high frequency only). 9.05 Rockface. 9.30 Lassie. 9.50 Help! It's the Hair Bear Bunch. †10.10 "Ma and Pa Kettle." 11.27 Weather.

11.30 Cup Final Grandstand: The 100th FA Cup Final: Manchester City v. Tottenham Hotspur. 11.30 Cup Final Morning/Dial-a-Cup Final; 11.55 Young Player of the Year Award; 12.00 The Road to Wembley; 12.12 pm News Headlines; 12.15 The Cup Final Managers; 12.25 Jim'll Fix It; 12.55 Racing from Lingfield; 1.10 Two Famous Clubs; 1.20 Racing from Lingfield; 1.40 Inside Wembley; 2.45 Abide with Me; 3.00 FA Cup Final: Manchester City v. Tottenham Hotspur; 3.45 Half-time marching display; 3.55 Cup Final (Second half); 4.45 Presentation of The Cup and Medals by Queen Elizabeth The Queen Mother; 4.55 Meet the Winners.

5.10 The Hardy Boys and Nancy Drew Mysteries.
6.00 News.
6.10 Sport/Regional News.
6.15 You Must Be Joking!
6.50 Saturday Premiere: "Pleasure Palace" starring Omar Sharif.
8.25 The Val Doonican Music Show.
9.10 News and Sport.
9.25 Roots by Alex Haley.
10.55 Saturday Night at the Mill.

All Regions as BBC1 except as follows:

Cymru/Wales — 6.10-6.15 pm Sports News Wales.

Scotland — 11.27 am-12.45 pm "The Best of the Bad Men" starring Claire Trevor and Robert Preston. 12.45-5.10 Cup Final Sportscene: 96th Scottish Cup Final (2.30) Dundee United v. Rangers from Hampden Park (3.00 kick-off); Racing from Lingfield (as BBC1); Goal of the Season (1.10); Golf (1.40) 1980 Open Championship from Muirfield; 6.10-6.15 Scoreboard. 11.45 News and Weather for Scotland.

Northern Ireland—6.10-6.15 pm Northern Ireland News and Sport. 11.45 News and Weather for Northern Ireland.

England—6.10-6.15 pm (South-West only) Saturday Spotlight.

BBC 2

7.40 am-2.20 pm Open University.
†3.40 Saturday Cinema (1): "Mannequin" starring Joan Crawford.
5.10 The Sky at Night.
5.30 Saturday Cinema (2): "The Reckless Moment" starring Joan Bennett.
6.50 Cartoon Two.
7.00 News and Sport.
7.15 Rugby Special: Middlesex Sevens from Twickenham.
8.10 Around with Alliss.
8.40 The Levin Interview: Bernard Levin talks to Sir Colin Davis, musical director of the Royal Opera.
9.10 Film International: "The Lacemaker" (French film with English sub-titles).
10.55 Arena.
11.40 News on 2.
†1.45 Maybury—A Preview.
†1.55 Midnight Movie: "Buchanan Rides Alone," starring Randolph Scott.

LONDON

8.45 am Sesame Street. 9.45 Cartoon Time. 10.00 "The Lone Ranger" starring Clayton Moore and Jay Silverheels.

11.30 am World of Sport—FA Cup Final: 11.35 Meet the Managers; 11.40 On the Ball; 12.00 Cup Final Punchlines!; 12.30 pm News, followed by Australian Pools Check; 12.35 Wrestling (Part One); 1.00 Wembley '81 with Jack Charlton and Jimmy Greaves; 2.10 Wrestling (Part Two); 2.30 Wembley '81; 2.45 Abide With Me; 2.50 Here They Come; 3.00 Kick-Off; 3.45 Half-Time Verdict; 3.55 Second Half; 4.40 Final Whistle.

If extra time is played, programmes will be rescheduled.

5.05 Metal Mickey.
5.35 News.
5.40 Chips.
6.35 Family Fortunes.
7.10 Only When I Laugh.
7.40 The Cannon and Ball Show.
8.10 "Avalanche Express" starring Robert Shaw, Lee Marvin and Maximilian Schell.
9.50 News.
10.05 How the Cup was Won.
11.05 The Monte Carlo Show.
12.05 am The Electric Theatre Show.
12.35 Close: Personal Choice with Alec McCowen.

All IBA Regions as London except at the following times:

ANGLIA

9.30 am Mind Over Matter. 10.00 Saturday Morning Film: "Starbird and Sweet William." 5.40 pm Buck Rogers in the 25th Century. 12.05 am Love American Style. 12.30 At The End of the Day.

ATV

9.10 am Co-operate: with Jimmy Reid. 9.35 Numbers at Work. 10.00 The ATV Saturday Morning Picture Show. 5.40 pm Buck Rogers in the 25th Century. †10.05 Coronation Street. 10.35 How the Cup was Won. 11.35 Quincy.

BORDER

9.10 am Co-operate! 9.35 Numbers at Work. 10.00 World Famous Fairy Tales. 10.10 Morning Cinema: "The New/Original Wonder Woman." 5.40 pm Buck Rogers in the 25th Century. 11.05 Target Bowls: England v Wales for the Double Diamond Trophy.

GRANADA

9.15 am Manscape. 9.40 Numbers at Work. 10.05 The Wembley Way. 10.30 Thunderbirds. 5.40 pm Buck Rogers in the 25th Century. †10.05 Coronation Street. †10.35 Peyton Place. 11.05 How the Cup was Won. 12.05 am The Big Film: "Bad Day at Black Rock."

9.10 am Numbers at Work. 9.35 Manscape. 10.0 Cats and Bruises. 10.05 "The New Original Wonder Woman." 11.28 HTV News. 5.39 pm HTV News. 5.40 Buck Rogers in the 25th Century. †10.05 Coronation Street. 10.35 How the Cup was Won. 11.35 The Monte Carlo Show.

HTV

HTV Cymru/Wales—As HTV West except: 5.05-5.35 pm Sion a Sian.

SCOTTISH

9.10 am Co-operate. 9.35 Numbers at Work. 10.00 Clapperboard. 10.30 Disney Classic. 10.35 240 Robert. 11.30 Scotsport Cup Final Special. 12.00 Champion Challenge Snooker: Cliff Thorburn and Steve Davis. 12.30 pm News. 12.35 Scotsport Cup Final Special (continued) including 1.15 Champion Challenge Snooker. 1.40 Goal of the Season/Save of the Season: 1.50 Snooker; 2.30 Cup Previews (Scottish and English): 2.50 Scottish Cup Final—Dundee United v Rangers; 3.45 Half Time; 3.55 Scottish Cup Final—Second Half; 4.40 Cup Presentation and Sports Results. 5.40 pm Buck Rogers in the 25th Century. †10.05 Vintage Coronation Street. 10.35 How the Cup was Won. 11.35 Late Call 11.40 Baretta.

SOUTHERN

8.50 am God's Story. 9.05 Sesame Street. 10.00 Clapperboard. 10.30 Tarzan. 11.27 Regional Weather Forecast. 5.40 pm Buck Rogers in the 25th Century. †10.05 Vintage Coronation Street. 10.35 Soap. 11.05 How the Cup was Won. 12.05 am Southern News.

YORKSHIRE

9.00 am Co-operate. 9.25 Chips. 10.10 "The New Original Wonder Woman." starring Lynda Carter. 5.40 pm Buck Rogers in the 25th Century. 11.05 Pro-Celebrity Ten-Pin Bowling. 11.50 The Palace Presents: Diahann Carroll and Charles Aznavour.

RADIO 1

(S) Stereophonic broadcast

5.00 am As Radio 2. 7.00 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Steve Wright. 1.00 pm 25 Years of Rock (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.00 Walter's Weekly (S). 5.00 Rock On with Tommy Vance (S). 6.30-7.30 In Concert (S).

RADIO 2

5.00 am Tony Brandon with his Saturday Early Show (S). 8.04 David Jacobs presents Star Sounds (S). 10.00 Two's Best (S). 11.00 The News Huddlines. 11.30 Pete Murray's Cup Final Special (S). 1.00 pm Sport on 2 from Wembley Stadium: FA Cup Final: Manchester City v Tottenham Hotspur, also news of the Scottish Cup Final—Dundee United and Rangers; Racing from Lingfield (1.5, 1.25, 1.55); Rugby Union (1.5, 1.45, 2.15, 4.50, 5.30) The Middlesex Sevens; Cricket (1.5, 1.50 and 2.20 pm) The first day of the Benson and Hedges Cup ties; 5.00 Wembley Scene; 5.30 Rugby Round-up/Motor Sport/Tennis/Golf. 5.45 Classified Racing Results/Cricket. 6.00 Country Style. 7.00 Three in a Row. 7.30 Cricket Desk. 7.33 Big Band Special (S). 8.00 Saturday Night is Gala Night (S) including 9.00-9.20 The Best of Both Worlds or the Bands Within the Bands. 10.00 Nordring Rendezvous (S). 11.02 Sports Desk. 11.10 Peter Marshall's Late Show (S) including 12.00 News and 12.05 am Sports Desk. 2.00-6.00 You and the Night and the Music (S).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.15 Bandstand (S). 11.50 Diversions (S). 1.00 pm News. 1.05 Mozart and Beethoven (S). 2.00 Play it Again (S). 5.00 Jazz Record Requests with Peter Clayton (S). 5.45 Critics' Forum. 6.35 The Organ Music of Jehan Alain (S). 7.15 What the Papers Said. 7.30 Concert from Halifax, part 1: Prokofiev, Ravel (S). 8.15 A Progress of Love (poetry readings). 8.35 Concert, part 2: Shostakovich (S). 9.40 A Man Apart (portrait of Gustave Flaubert in his last ten years). 10.25 Songs by Vaughan Williams (S). 11.00 News. 11.05-11.15 Westminster Abbey Choir (S).

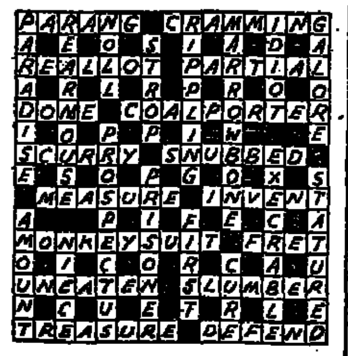
VHF Only—Open University: 5.55-7.55 am and 11.15 pm-11.55 and for students in Scotland, Wales and Northern Ireland only: 11.55 pm-12.55 am.

RADIO 4

6.25 am Shipping Forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather; Programme News. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather; Programme News. 8.00 News. 8.10 Sport on 4. 8.45 Today's Papers. 8.50 Yesterday in Parliament. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News. 12.02 pm Money Box. 12.27 Just a Minute (S). 12.55 Weather; Programme News. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Wildlife. 2.30 Thirty-Minute Theatre (S). 3.00 International Assignment. 3.30 Poetry Please! 3.40 The Whole of Creation. 4.10 Profile. 4.30 Does He Take Sugar? 5.00 Conversation Piece. 5.25 Week Ending. 5.50 Shipping Forecast. 5.55 Weather; Programme News. 6.00 News. 6.15 Desert Island Discs: Castaway, bandleader Buddy Rich (S). 6.55 Stop the Week with Robert Robinson. 7.35 Baker's Dozen (S). 8.30 Saturday-Night Theatre. 10.00 News. 10.15 Songs for the Times (S). 11.00 Lighten Our Darkness. 11.15 Inside Parliament. 12.00 News.

SOLUTION AND WINNERS OF PUZZLE NO. 4,559

Mrs. V. Cockerham, 29 St. Mark's Avenue, Altrincham, Cheshire. Mr. John Wallington, 25 Larchwood Glade, Camberley, Surrey. Mr. G. R. Woodward, 26 Ebdon Road, Worle, Weston-Super-Mare, Avon, BS22 9NE.



TV Ratings w/e May 3

U.S. TOP TEN (Nielsen ratings)

1	Dallas (drama) (CBS)	32.9
2	Lou Grant (drama) (CBS)	24.4
3	M.A.S.H. (comedy) (CBS)	24.0
4	60 Minutes (news) (CBS)	22.9
5	Big Event—Sunday (movie) (CBS)	22.3
6	Dukes of Hazzard (comedy) (CBS)	22.1
7	House Calls (comedy) (CBS)	21.9
8	Jeffersons (comedy) (CBS)	21.1
9	Fantasy Island (drama) (ABC)	19.9
10	Hart to Hart (drama) (ABC)	19.6

CHESS SOLUTIONS

Solution to Position No. 370

1 RxB! KxR; 2 Q-Q4 ch, K-N4; 3 B-K7 ch! QxB; 4 Q-B4 ch, Resigns. If K-N4; 5 P-N4 ch, K-R5; 6 Q-R6 mate.

Solution to Problem No. 370

1 P-B8=B, P-N6; 2 B-N4, P-N7; 3 B-Q1, KxR; 4 B-N3 mate. Not 1 P-B8=Q, P-N6; 2 Q-R3, P-N7; 3 R (B1)-QB1, PxR=N.

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1

COLLECTING

Dukes and revolutionaries

BY JANET MARSH

HAD ANYONE asked me a week ago to name the last Tsar of Russia, I would have replied instantly "Nicholas II." Thanks to the London auction rooms I now know better. When Nicholas abdicated all claim to the throne on behalf of himself and his son the Tsarevitch, he was succeeded by his younger brother, the Grand Duke Michael Alexandrovich. Tsar Michael himself abdicated the following day, obligingly fulfilling an old prophecy that the Romanov dynasty, having begun with a Michael, would also end with one.

The one-night Tsar had been rather a black sheep of the royal family, having disobeyed his brother and married morganatically. His reputation had been somewhat restored however by stalwart service in World War I.

At the Bolshevik Revolution Michael assumed a political role, negotiating with the liberal elements of the Duma for the establishment of a constitutional monarchy. These plans were frustrated by the Tsar's fatal procrastination; Nicholas was forced to abdicate on March 2, 1917.

Michael and his wife were soon afterwards placed under house arrest. In March 1918 he was exiled to Perm, where he appears to have been assassinated some three months later.

The last Tsar, now suddenly if briefly re-emerges from that dark past, since the diary he kept from the early days of the war to the summons to the final interrogation is to be auctioned by Sotheby's on Wednesday, in a sale of Continental autographs.

The diary is an elegant little volume in blue morocco, with gilt crowned monogram on the cover and watered silk endpapers and was a gift to Michael from his wife. The daily entries, in Russian, provide a vivid picture of the turbulent times as seen by a man at the heart of things. Michael, from his own account, emerges as a tactful and philosophical politician. He dissuades the army command from defending the Winter Palace in order to avoid the building's inevitable destruction; and on September 2, 1917 reflects, with foredoomed optimism: "Woke this morning to hear the proclamation of Russia as a Democratic Republic. Is it not all the same, whatever the shape of the Government, so long as there be order and justice, for everybody?"

Sotheby's expect this singular document to realise between £4,000 and £5,000.

* * *

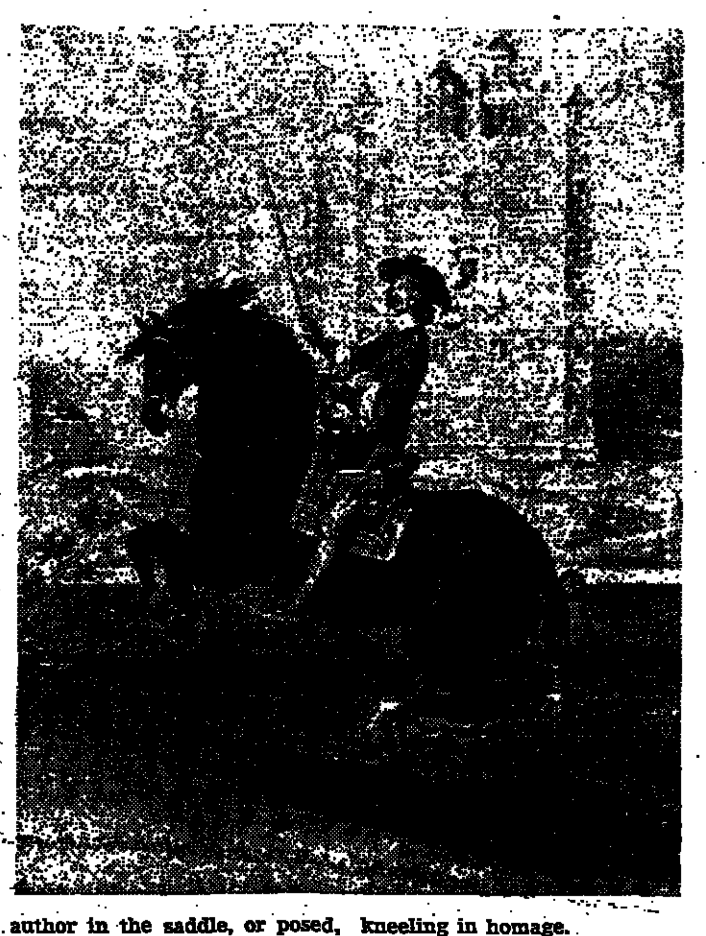
Two and a half centuries before, an English Duke who likewise found himself the victim of revolution, was able to put to creative use the enforced leisure of exile.

William Cavendish, First Duke of Newcastle, was a grandson of the formidable and match-making Bess of Hardwick. As a young Knight of the Bath, he achieved celebrity for the extravagant entertainments he offered successively to James I and Charles I (they cost him £20,000; Ben Jonson wrote a masque for the second). These lavish gestures paid the dividends anticipated: Cavendish rapidly rose in title and office; and was made tutor to the Prince of Wales, the future Charles II.

Despite a good deal of jealousy and enmity at court, and the opinion of Sir Edward Hyde that he was "as fit to be a bishop as a general," during the Civil War Cavendish was appointed commander of the Royalist forces in the North. After the fiasco of Marston Moor—the outcome of Prince Rupert's notorious impetuosity—Newcastle went into exile.

After spells in Paris and Rotterdam he settled in Antwerp, where he established a riding house and dedicated himself to his favourite pastime of equitation. The combination of his equestrian talents and his literary ambitions (he wrote poetry and some plays, which Pepys found excessively silly) resulted in Newcastle's celebrated book *La Méthode et Invention Nouvelle de dresser les Chevaux.*

First published in 1657, this sensitive, intelligent and *supremely practical manual of* horsemanship remains a classic of the literature of equitation. Re-issued in an English edition in 1743, it is in addition a strikingly beautiful example of book production. The plates are by Abraham van Diepenbeke, a pupil of Rubens (in whose house in Antwerp Newcastle spent his exile), and depict the noble



author in the saddle, or posed, nostalgically, before his sequestered English mansions; or, allegorically, as Mars, or Belle*rophon on Pegasus.*

It is one of the great attractions of the book that Newcastle honoured horses: he was unique in his time in proposing that the good horseman should endeavour to understand the animal's *thoughts.* Diepenbeke's most charming plates represent the duke's horses returning this respect, circled around him and kneeling in homage.

Currently Henry Sotheran of Sackville Street have an attractive exhibition of these Diefenbeke plates. *The set on display* have at some later date been very finely coloured and enriched with gold and silver. Though purist print collectors may demur, in this embellished state they make spectacularly handsome wall decorations. Prices for the prints, mounted and framed, range from £60 to £260 plus VAT.

Self-perpetuating

STAMPS

JAMES MACKAY

THE HONOUR of having issued more stamps than any other country in the world goes to Russia, whose 5,000th stamp was catalogued by Stanley Gibbons in their supplement last October. The stamp in question was one of a series devoted to helicopters of the Soviet Union, issued in May 1980, and one would not have been surprised had the Soviet Union issued a stamp to commemorate the 5,000th issue, such is the self-perpetuating nature of philately these days.

Of course it is open to interpretation what constitutes such a landmark, since rival catalogues may have their own opinions as to what should and what should not be listed. Moreover, the Soviet Union might not choose to include in such a celebration the 176 stamps of the Tsarist regime or the modest trio produced by the provisional government of Alexander Kerensky. Actually Russia is not as prolific these days as it used to be; exactly 100 stamps and miniature sheets were produced in 1979—a drop of 20 per cent from 1978 and substantially lower than the average throughout the 1960s and 1970s.

Modern Soviet stamps are colourful, well-printed and straightforward in design, as befits issues which have a strongly didactic element (a characteristic shared by their American counterparts) and, by and large, they are of relatively low face value. Starting a collection of new issues would not call for a great outlay, but attempting even a simplified collection right back to 1918, far less back to the first Tsarist issue in 1858, would prove expensive.

These abundant issues are fully recorded in volume 10 of the Stanley Gibbons catalogues, just published at £10.50. As well as the stamps of Russia itself, the catalogue includes the numerous civil war and occupation issues, the stamps of the *Russian post offices abroad* (in China and the Turkish empire) and the issues of the Ukraine and Transcaucasia, the Baltic states of Estonia, Latvia and Lithuania and the Asiatic states of Tuva and Mongolia. All of these areas have an interlinked political history which makes a convenient grouping of countries for the casual or specialist collector. In preparing this new volume the opportunity has been taken to revise thoroughly the listing of the last of the Tsarist issues — the Romanov tercentenary series, the war charity sets, the provisionals and emergency stamp currency issues—while the listings of Latvia, Lithuania and pre-1945 *Mongolia have also been completely overhauled.*

Volume 16 in the Gibbons series, devoted to the stamps of Central Asia, is also now available at £8.50. This title embraces three very different countries whose only common denominator is their geographical location: one under military occupation (Afghanistan), another in the throes of an administrative revolution (Iran) and the third under military rule hovering precariously on the brink of civil war (Turkey). The area has long been noted for its political instability, a situation which has all too frequently been reflected in stamps. This, in turn, explains the peculiar fascination of this area for philatelists who have found tremendous scope in the primitive Afghan "Lion" stamps and the welter of provisional *surcharges and overprints in* the stamps of Persia before the advent of the Pahlevi dynasty.

In the new catalogue the early issues of Afghanistan have been completely revised and renewed interest in this area *is reflected in the considerable* increases in the prices quoted for early Afghan and Iranian stamps. The Turkish section includes the extensive issues of the foreign postal administrations in the former Ottoman Empire. A major improvement is the listing for the first time of the Turkish obligatory tax stamps issued for charitable purposes between 1926 and 1958.

Volume 22 of the series (£5.50) is the first new Gibbons listing of American stamps since the old "Overseas 4" catalogue was published in 1978, and the opportunity has been taken *to make improve*ments to the listings as well as to revise prices. The catalogue details some 1800 basic stamps issued by the United States since 1847 and also includes listings of the stamps issued by the Confederate States (1861-64), the Canal Zone, the American occupation of Cuba, Guam and Puerto Rico in the aftermath of the Spanish-American War of 1898-99, and the issues of Hawaii and the Philippines under American administration.

RACING

DOMINIC WIGAN

WITH SHERGAR having taken the Chester Vase and the other principal home-trained Derby hopes, Kalaglow, Centurius and Robellino all waiting until York, this afternoon's Ladbroke Derby Trial at Lingfield has, inevitably, only moderate appeal.

However, the substandard quality of the field for this a *race with £20,000 in added* prize money, is hardly likely to worry owner, Lord Howard de Walden, trainer Henry Cecil and jockey, Lester Piggott.

The absence of a runner from the top drawer should see them returning to the winner's enclosure to welcome back Clear Verdict.

Cecil, who won this Derby Trial a year ago when Ginistrelli *had* a length to spare over a second-rate handicapper in Ribo Charter, almost certainly trains a better colt than Ginistrelli in Clear Verdict. Either first or second in each of its four races to date, Clear Verdict earned himself 8 st 12 lbs in the European Free Handicap largely through his fine performance in Goodwood's one-mile Westhampnett Stakes in the autumn.

Staying on strongly in the closing stages of that race, Clear Verdict wore down Recitation to win, going away by a neck from the subsequent Grand Criterion winner. Although it has to be said that the Pulborough runner-up was only just beginning to show something approaching his true potential at that time, it was a highly creditable effort on the part of Clear Verdict.

If, as must be expected, Clear Verdict has improved since he chased home the fitter Kalaglow in the Heath Stakes at Newmarket last month, he *should not be hard-pressed to* take this group three event.

Sheer Grit, beaten 13 lengths by the Derby favourite, Shergar in the Guardian Newspaper Classic Trial, is probably the one for forecast backers.

In the opening event on this Lingfield programme which gets under way at 11.30—owing to the Cup Final—Justicia is expected to follow up her Craven meeting success. The grey Nonoalco filly is, on a line through Fimi, of comparable ability to the speedy Petite Realm. Unless Justicia fails to reproduce her Newmarket running in the Parthia Stakes, *she will have the measure of* Swing Fire.

LINGFIELD

11.30—Justicia**
12.00—Aniece*
12.30—Zedative
1.00—Hill's Northern
1.30—Clear Verdict***
2.00—Mickey Tim

THIRSK

3.20—Newgate
3.50—Star Fleet
4.25—Derring Rose

CHESS

LEONARD BARDEN

Viktor Korchnoi's last-minute appearance at Lone Pine and his subsequent victory ahead of the two official Soviet players added to the reputation of what has become the most glamorous annual event on the world chess calendar. Set in a small town in the Rockies, Lone Pine is the brainchild of Louis D. Statham who has given generous support to his tournament for eleven years. As a businessman, Statham was an inventor and marketer of scientific instruments, and in the field of medicine Statham instruments measure bodily functions during surgery. As a keen amateur chessplayer, he wanted to bring top grandmasters to his retire*ment home and his annual inter*national is the result.

Prizes at Lone Pine have progressively increased over the years and now total 50,000 dollars. Korchnoi took away 15,000 dollars, small money by world title standards but far better than in most international tournaments. Apart from the prize awards, there is an automatic substantial guarantee towards expenses for any grandmaster in the world who wishes to take part. This year there were 27 GMs, a Lone Pine record.

Korchnoi timed his appearance to the minute. The plan, dreamt up by his assistant Yesser Seirawan, was for him to arrive when the USSR players were already in town and (due to time difference) could not contact Moscow for a possible veto on their participation. Korchnoi's arrival, on a 1.30 am Greyhound bus from Los Angeles, was so secret that every motel room in town was full and he had to beg a spare bed from another GM.

The two young Russians, Romanishin and Yusopov, accepted the situation gracefully. Yusopov shook hands with Korchnoi before their game (refusal of the traditional handshake has been one of the bones of contention between Korchnoi and his USSR *opponents in FIDE events) and* analysed with him afterwards. It was this game—in round seven—which virtually ensured Korchnoi's overall victory. At the end he was unbeaten with 7 out of 9, followed by Gligoric (Yugoslavia), Seirawan (U.S.) and Sosonko (Holland) 6½; Campora (Argentina), Ivanovic (Yugoslavia), Pfleger (West Germany), Yusopov (USSR), Albert, Christiansen, Henley and Tarjan (all of U.S.) 6; Romanishin (USSR) and Wilder (U.S.) 5½. The No. 2 seed and world title candidate Bent Larsen (Denmark) could only score 5. The British juniors Nigel Davies and Ian Wells, who went to Lone Pine with help from the Friends of Chess and Slater Foundation, had a hard baptism in grandmaster chess and totalled 3½ and 2½. Both beat a GM. Davies won from ex-U.S. champion Bisguier while Wells, at 16 the youngest in the tournament, defeated Poland's leading player Kuligowski.

White: I. Dahlberg (U.S.). Black: V. Korchnoi (Switzerland). Queen's Indian (Lone Pine 1981)

1 P-QB4, N-KB3; 2 N-KB3, P-K3; 3 P-Q4, B-N5 ch; 4 QN-Q2, P-B4; 5 P-QR3, BxN ch; 6 QxB, P-QN3; 7 P-K3, B-N2; 8 B-K2, N-B3; 9 0-0, 0-0; 10 P-QN3, N-K5; 11 Q-B2, P-B4; 12 R-Q1, N-K2; 13 PxP, PxP; 14 B-N2, P-Q3; 15 N-Q2.

White has already shown signs in the opening of "Korchnoi-fear." Moves 7-10 are passive where an early P-QN4 would give better prospects. Now he expects to force piece *exchanges, but overlooks* a hidden tactical point.

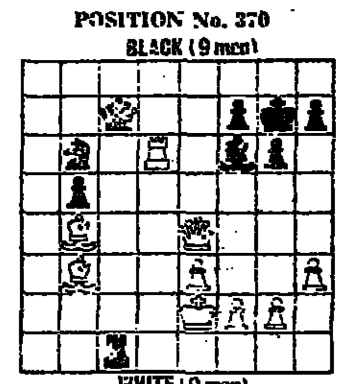
15 . . . N-N3; 16 B-B3 (better 16 NxN, though Black then has attacking chances on the KB and KN files, N-R5! 17 BxN, PxB; 18 NxP, NxP!

An unexpected coup. If 19 KxN, Q-N4 ch; 20 K-B1, Q-N3 regains the piece with great advantage. White's best chance now is 19 RxP.

19 Q-B3? Q-K2; 20 NxQP, B-B6; 21 R-Q2, N-R5; 22 Q-K5, B-K7! and White resigned. The threat of N-B6 ch is decisive.

POSITION No. 370

BLACK (9 men)

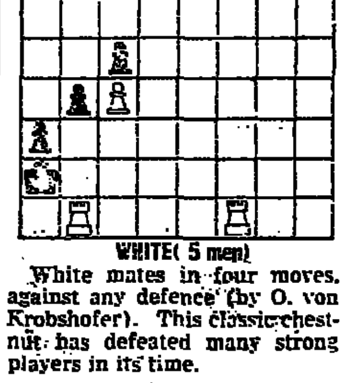


WHITE (9 men)

Korchnoi v Yusopov, Lone Pine 1981. White to move; how can he win quickly? This is the finish of the historic game where exile Viktor Korchnoi broke a five-year boycott and succeeded in competing in a non-FIDE tournament along with official USSR representatives. The game was among the best of *Korchnoi's career and* the diagram shows the decisive phase where his bishop pair control the diagonals leading to Yusopov's king.

PROBLEM No. 370

BLACK (4 men)



WHITE (5 men)

White mates in four moves, against any defence (by O. von Krobshofer). This classic chestnut has defeated many strong players in its time.

Solutions Page 12

BRIDGE

E. P. C. COTTER

IN BOTH my example hands today the declarers lost their ice-cold contracts because they *neglected to follow the safest* and simplest line of play. The first hand occurred in a teams-of-four event, and this is what happened in one room:

N
♠ Q 10 7 6 4
♡ A J 6 5 2
◇ 6 4 3
♣ —

W
♠ 3
♡ Q 4
◇ K J 10 7 2
♣ Q J 10 7 5

E
♠ 8
♡ K 10 9 8 3
◇ 9 5
♣ A 9 8 6 3

S
♠ A K J 9 5 2
♡ 7
◇ A Q 8
♣ K 4 2

With both sides vulnerable South dealt and bid one spade, which North raised to four spades. The opener now introduced a Blackwood four no trumps, and North replied with six diamonds, a response which shows one Ace and a void, South corrected to six spades, and all passed.

West started off with the club Queen, the declarer ruffed on the table, cashed the heart Ace, and ruffed a Heart with the Knave of spades, West dropping the Queen. Crossing to the ten of trumps, South ruffed another heart in hand, hoping that West might produce the King, but this hope did not materialise. Ruffing another club in dummy, declarer ruffed another heart in hand, then ruffed his last club, and led a diamond from the table. The declarer's intention was to finesse the eight of diamonds and endplay West, forcing either a diamond return into his major tenace, or a club return which would concede a *ruff discard.*

East, however, was not asleep. He put up his nine, which compelled South to finesse the Queen. West won with the King, and could safely return his Knave to defeat the contract *by one trick.*

One might excuse the declarer's efforts to make thirteen tricks at match-pointed *pairs, but at rubber bridge, or* as here with IMP scoring, he should have ensured his contract by discarding a diamond from the table at trick one, and allowing East's Ace to make. He can later throw another diamond from the table on the club King, and twelve tricks are on ice.

The second deal occurred in an average rubber:

N
♠ K 5
♡ 10 6 4 2
◇ 7 5 3
♣ Q 9 5 2

W
♠ 2
♡ 7 5
◇ A K Q J 10 8 4
♣ 10 6 4

E
♠ 9 8 7 4 3
♡ K Q J 3
◇ 9 2
♣ 8 7

S
♠ A Q J 10 6
♡ A 9 8
◇ 6
♣ A K J 3

With North-South vulnerable, West dealt and opened the bidding with a pre-emptive bid of four diamonds. North and East passed, but South with his powerful hand could not be shut out, and bid four spades. This was doubled by East, and all passed.

West led the diamond Ace, and followed with the King, East petering, and South ruffed. He crossed to the spade King, and returned a spade to his Knave. When West showed out, the declarer was in trouble. He cashed two more trumps, leaving East with the nine, and proceeded to run off his clubs. East ruffed the third round and returned the King of hearts, putting the contract one down.

South thought he had been unlucky, but actually he played badly. After West's pre-emptive bid and East's double of the final contract, a 5-1 distribution of spades was not improbable, and the declarer should have allowed for it. All he has to do is to permit West to cash three diamond tricks, discarding two heart losers from hand. A fourth diamond can be ruffed with dummy's five of trumps, and a heart or club switch is won in hand, trumps are drawn, *and the contract is delivered.*

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Telephone: 01-248 8000

Saturday May 9 1981

The U.S. casts a shadow

IT MAY not have been exactly a vote of confidence, but this week's local government elections suggested that the Government's economic policies have created less dismay in the electorate than among some of the Conservative Party's own backbench doubteds. After all, it is less than two months since Sir Horace Cutler, the ousted leader of the Greater London Council, and one of Mrs. Thatcher's stauncher supporters, felt impelled to say of the March Budget that it left the electorate's short memory as the best hope for the Conservative Party. Yet, on Thursday, Labour managed to secure a majority of only eight seats in the GLC, with a swing of less than 4 per cent against the Tories since Mrs. Thatcher's 1979 general election triumph.

Opportune

Things were rather worse for the Tories in other parts of the country. Particularly ominous was the landslide to Labour in the West Midlands—an area with large numbers of marginal seats in Parliament. The lesson from these results is the rather obvious one that voting patterns reflect quite closely the impact of unemployment. Nevertheless, it clearly takes a lot more unemployment than the relatively prosperous parts of the nation are now experiencing to produce mass defections from the Tories. Overall, the modest scale of Labour's victory will probably leave intact Mrs. Thatcher's conviction that she has a better feel for the mood of the nation than the "wet" dissenters in her party.

The failure of Labour (or the Liberals) to deliver a crushing, nationwide blow to the Conservative Party's morale is particularly opportune for Mrs. Thatcher at the moment. For, while there are tentative signs of some improvement in the performance of the domestic economy, international economic developments are raising new question marks over the prospects of a real recovery in the near future.

The jump in U.S. interest rates which occurred this week need not in itself necessarily temper the Government's desire to reduce British interest rates further. If Ministers and markets still retained their original faith in using a single domestic monetary aggregate as the sole target for monetary policy, there would be no strong reason for the Government to resist a decline in Minimum Lending Rate in the near future, irrespective of the upward trend in rates on the other side of the Atlantic.

Admittedly, the Civil Service dispute has cast a new statistical fog over the sterling M3 figures. The markets were not at all sure what to make either of the 2 per cent actual growth or of the ¾ per cent "underlying" growth of sterling M3, announced on Wednesday. But, despite this, there is a good chance that sterling M3 growth over the coming months could be restrained sufficiently to satisfy the markets' satisfaction that it is within the target range announced in the Budget.

Bold step

However, the new policy of following the movements not just of sterling M3, but of a range of monetary indicators, makes a cut in interest rates harder to justify at a time when the exchange rate is falling sharply against the dollar. Even though sterling has, if anything, strengthened against the Continental currencies as a result of the heavy switching from D-Marks into dollars, it would be a bold step indeed to go against the world-wide trend of interest rates, particularly at a time when the sharp decline in Britain's domestic inflation seems to be coming to an end.

Thus, one of the main forces that should have been promoting an economic upturn after the fiscal tightening in the Budget has, temporarily at least, been dampened. Although the fall in sterling against the dollar will make up for some of the adverse impact of continuing high interest rates, Britain's competitiveness in the important European markets has not increased. More fundamentally, a decline in the sterling exchange rate occasioned by an intense monetary squeeze in the U.S., and an interest rate war between America and Europe is a dubious basis for economic recovery in Britain.

Confidence

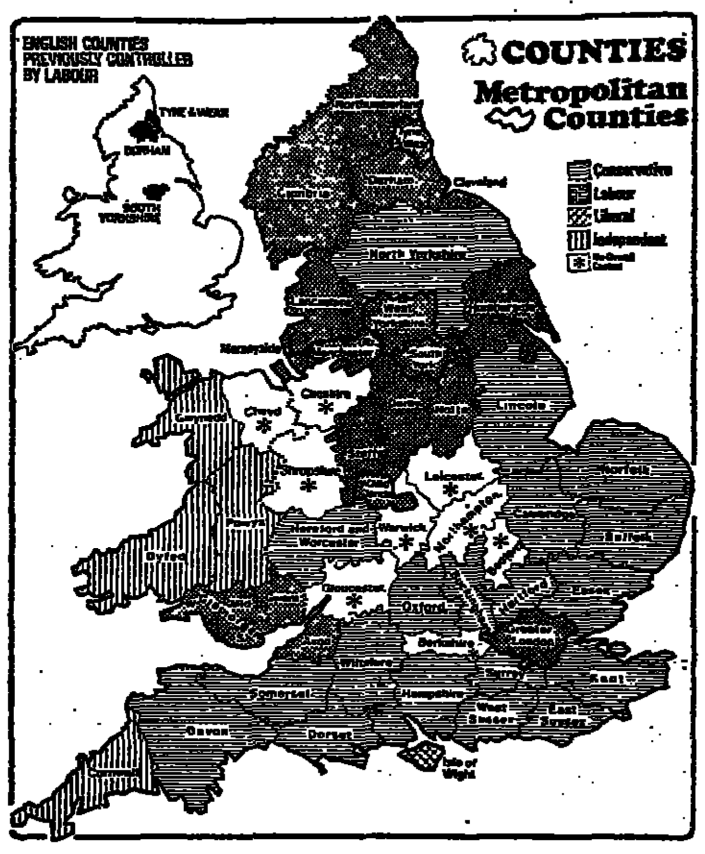
A further slide into recession by the world economy is bound to damage Britain's chances of a return to economic growth in the near future. While industrial opinion surveys have shown a major improvement in confidence about export prospects, this could soon be reversed if the conflict between fiscal and monetary policies in the U.S. undermines world trade.

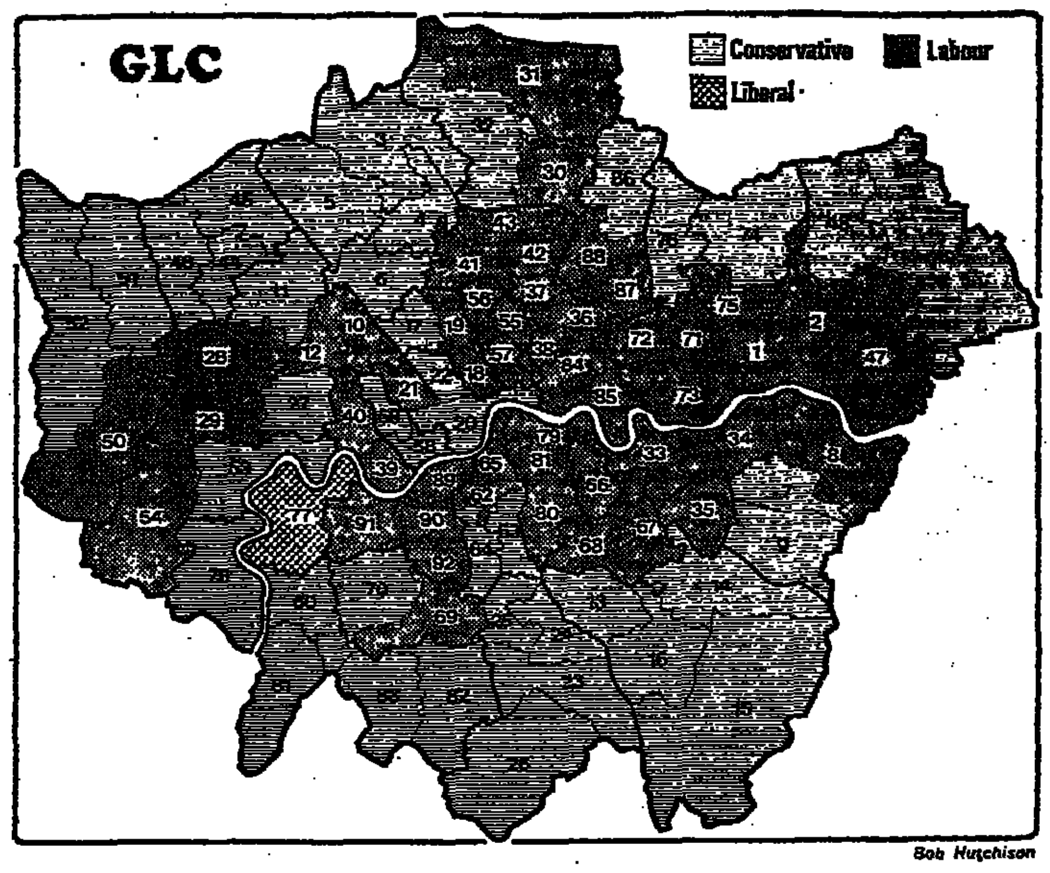
Thus the most encouraging news for Mrs. Thatcher this week was probably not the result of the GLC election but the fact that President Reagan has succeeded in winning Congressional support for his package of public spending cuts. If fiscal caution prevails in the U.S. there is a chance that the latest bout of stratospheric interest rates may also be the last one. But unless he manages to avoid repeating too many of Mrs. Thatcher's early mistakes, President Reagan could do more harm than anybody else to his favourite British politician's future electoral chances.

THE LOCAL ELECTIONS

Labour's missing landslide

By Robin Pauley





Bob Hutchison

THERE is nothing quite like the immediate aftermath of an election—local or parliamentary—for prompting the political victors and vanquished into making exaggerated claims.

So it was after this week's local elections in Greater London and the English and Welsh shire and metropolitan counties.

Labour politicians referred to the results as a triumph and a massive national rejection of Mrs. Thatcher which it clearly was not. Conservatives tried to claim some victory out of clear defeats. Sir Horace Cutler even said that his loss of control of London, the largest local authority in the world, was a personal victory because it was not a landslide.

In fact the results mean different things for all parties in different parts of the country.

The clearest indications are

- The further north and the deeper into areas of severe unemployment the more dramatic the Labour victory:
- In London, the south and the south east, where the recession has been least felt, Labour has done very poorly given that this is the mid-term of a Conservative Government:
- The divisions within the Labour Party have affected the party's results significantly in London:
- The Liberals, in spite of one or two good wins, have again largely failed to fulfil their high expectations:
- Candidates standing under some sort of social democratic label made no national impact but did well in some constituencies and were instrumental in preventing Mr. Ted Knight, Marxist leader of Lambeth Council, from winning an otherwise safe seat.
- The most important result for both Labour and Tory was probably the West Midlands metropolitan county council, the second largest in the country, where Labour won control with a very large swing averaging 18 per cent and reaching 30 per cent in some areas. This area, more than any other, reflects the effects of the recession on manufacturing industry.
- Central-local government relations are likely to become increasingly strained. All the major urban authorities — London, West Midlands, Greater Manchester, Merseyside, South Yorkshire, West Yorkshire and Tyne and Wear—are now firmly under Labour control.

The Labour Party was fighting the elections from a position where it could not help but make major gains. It lost more than 1,000 seats in the last comparable elections in 1977 at the depth of the Labour Government's unpopularity.

Although direct comparisons are difficult because of boundary changes in 22 counties they have not won them back at anything like the expected rate. The desperately hoped-for landslide in Greater London failed to materialise and the swing everywhere south of the Midlands was barely enough, if it were to be translated io to a general election, to indicate a Labour majority in the south.

Every metropolitan county went to Labour with a big swing or increased its Labour majority significantly. The victory on Merseyside was large enough to give Labour outright control robbing the Liberals of their hopes of holding the balance.

Northern and midland counties tumbled out of Tory control at a pace—with the exception of North Yorkshire—and included some results which not even the most optimistic Labour politicians or most unrealistic opinion polls had expected. The Labour victory in Lancashire was one; the Tories loss of control in Cheshire (for the first time) was another.

The message was clear. Large numbers of voters who backed Mrs. Thatcher in 1979 are now unemployed in the Midlands, North east and North west and they do not like it. Living standards which were improving at the time of the general election are falling again. Many wives are now earning to pay the mortgage rather than to pay for luxuries and foreign holidays. The short-lived flirtation with the Tories is over and if the conventional wisdom that British general elections are won and lost in a band of seats across the industrial Midlands is true, the local election results are a dire warning for Mrs. Thatcher

Nevertheless, the Labour Party also has much work to do before the next election if it cannot make better headway in the southern half of the country.

At the same time the left-right split within the ruling Labour groups on the councils may prove embarrassing.

In West Midlands, the second largest authority with 3m voters, the pre-election situation was the same as in London: the greater the margin of victory the greater the chance of the far Left gaining control. In London Labour scraped home with 50 seats—a majority of eight and evenly divided between moderates and the Left. But in the West Midlands the majority was huge which might make it very difficult for the likely moderate Labour leader, Clive Wilkinson, to hang on. He has already dallied with the Social Democratic Party and if he is ousted by the Left he might be a candidate for defection taking some supporters with him.

The greater the influence of the Left in the town halls the greater maybe the chances of the Left winning the internal battle for power in the party in the autumn. That could, in turn, spell electoral suicide for Labour in a general election.

The result in London, where unemployment and the recession have not ben so deeply felt, clearly indicates that the advance of the Left and the split within the party has cost Labour a good number of seats.

Mr. Ted Knight says he lost a virtually unloseable seat because of a media campaign, but it may be that distaste for the rate levels which his financial stewardship of Lambeth has produced — and the rejection of his beliefs — played a more important part.

His seat was fairly high on the list which Labour thought it would win. This was the only one of the 92 seats which already has a Labour MP which the party failed to win. Apart from that all the seats up to the magic figure of 47 fell to Labour as planned. After winning a majority Labour won the next two seats—Woolwich West and Enfield North, both with moderate Labour candidates—and then failed to win anything else except Hornsey where Tony Hart, Dame Judith Hart's husband, won. He is identified as on the Left of the party.

The Tories held the remaining 14 seats which Labour had marked down as priorities and which they needed to win to have the 65 seats they once talked of so confidently. Of the 14, 12 had left-wing candidates and the electorate rejected each and every one which meant Labour did not pick up seats in which it should really have romped home — Hampstead, and Croydon North West.

So nobody is happy in London—although the Conservatives are rightly relieved that, under the circumstances, they have escaped with their lives if not their power.

The most gloomy must be the Liberals whose high expectations produced only one seat—Richmond—and that after a recount. Hopes in Sutton and Cheam, Twickenham, Bethnal Green, and even Orpington (where hopes had more to do with nostaglia than realism) all came to nought.

Nationally, the picture was little better. The Isle of Wight was a well-won and expected victory in a county which also has a Liberal MP and that territory ought now to be very difficult to wrest from Liberal control.

But elsewhere the Liberals did not realise their hopes of gaining from the Labour wrangling, Tory unpopularity and absence of the Social Democratic Party.

They improved their positions as second party in the southern coastal counties—the Sussexes, and Dorset—but did not make the substantial gains hoped for in Devon.

Labour will have to consolidate some of its gains in the counties to be sure of exploiting them in a general election. The surprise result in Tory Cheshire, for example, will need a lot of hard work to turn it into real Labour territory.

The area is largely wealthy northern stockbroker belt and commuters from Merseyside but the recession has hit traditional small businesses and industries, forcing unemployment up and affecting chemical firms in the area including ICI. There have also been some boundary changes to the county area. A sign of an end to the recession with industry climbing out probably would return Cheshire to Tory hands faster than anywhere else.

1 Barking, 2 Dagenham, 3 Chipping Barnet, 4 Finchley, 5 Hendon North, 6 Hendon South, 7 Bexleyheath, 8 Erith and Crayford, 9 Sidcup, 10 Brent East, 11 Brent North, 12 Brent South, 13 Beckenham, 14 Chislehurst, 15 Orpington, 16 Ravensbourne, 17 Hampstead, 18 Holborn and St. Pancras South, 19 St. Pancras North, 20 The City of London and Westminster South, 21 Paddington, 22 St. Marylebone, 23 Croydon Central, 24 Croydon North East, 25 Croydon North West, 26 Croydon South, 27 Acton, 28 Ealing North, 29 Southall, 30 Edmonton, 31 Enfield North, 32 Southgate, 33 Greenwich, 34 Woolwich East, 35 Woolwich West, 36 Hackney Central, 37 Hackney North and Stoke Newington, 38 Hackney South and Shoreditch, 39 Fulham, 40 Hammersmith North, 41 Hornsey, 42 Tottenham, 43 Wood Green, 44 Harrow Central, 45 Harrow East, 46 Harrow West, 47 Hornchurch, 48 Romford, 49 Upminster, 50 Hayes and Harlington, 51 Ruislip-Northwood, 52 Uxbridge, 53 Brentford and Isleworth, 54 Feltham and Heston, 55 Islington Central, 56 Islington North, 57 Islington South and Finsbury, 58 Chelsea, 59 Kensington, 60 Kingston-upon-Thames, 61 Surbiton, 62 Lambeth Central, 63 Norwood, 64 Streatham, 65 Vauxhall, 66 Deptford, 67 Lewisham East, 68 Lewisham West, 69 Mitcham and Morden, 70 Wimbledon, 71 Newham North East, 72 Newham North West, 73 Newham South, 74 Ilford North, 75 Ilford South, 76 Wanstead and Woodford, 77 Richmond, 78 Twickenham, 79 Bermondsey, 80 Dulwich, 81 Peckham, 82 Carshalton, 83 Sutton and Cheam, 84 Bethnal Green and Bow, 85 Stepney and Poplar, 86 Chingford, 87 Leyton, 88 Walthamstow, 89 Battersea North, 90 Battersea South, 91 Putney, 92 Tooting.

The nine "hung" councils are also something of a mixed blessing for Labour. Although the eight in England all represent a loss of Tory control—and so help to give the Labour Party added influence on the powerful Association of County Councils—some represent bad Labour misses.

If Labour had really been doing as well as they should have at this point they would have taken outright control of Leicestershire, Northamptonshire, Bedfordshire and Hertfordshire. The first three have no overall control and the Conservatives held onto the last.

The loss of Tory control in Berkshire, on the other hand, is a major Labour coup.

The turnout among the 38m eligible voters was about normal for a local election—somewhere less than 40 per cent—although in London, where interest in local authority spending and rates is heightening, it was about 43 per cent.

So some 15m bothered to go to the polls and all three parties are hoping to do better next year when the London boroughs and the district councils poll—the tier at which rate levels and the results of a year of battling between Labour councils and a Tory Government will really make their mark.

Letters to the Editor

Cheque-book journalism

From Mr. R. Irving

Sir,—It seems unlikely that any "code of conduct" could successfully regulate the baser aspects of what has become known as "cheque-book journalism." In any case, the public's right to information (sordid though that information might appear to right-thinking people), should not be fettered by any such code.

When the publication of the Goebbels diary was announced, I ventured to point out that the law of copyright might be used as a possible means of preventing such persons as criminals, and their relatives, exploiting the publicity value of their nefarious conduct. This could be achieved by passing a statute which vests the copyright in such material in the Criminal Injuries Compensation Board.

It could be stipulated, for example, that publication without the board's consent would be illegal and that the Board should be entitled to the exclusive right to any payment. It should have, in addition, the power to garnishee payments made to any person without its authorisation.

The scope of the material to be incorporated in the board's copyright might extend to the history and circumstances of any person charged or tried in our criminal courts.

It follows that Mr. David English or any other editor could publish what he will, provided all emoluments are paid to the board. It might even be possible for such copyright to operate throughout the EEC. This would provide a useful source of additional funds for the board to compensate persons injured by criminals.

Ronald Irving.
Sotheby and Company,
5 Upper Brook Street, W1.

Rating

From Mr. W. Bridge

Sir,—Mr. John Heddle, MP, (May 1) is well known for his interesting views on the rating system. I would like to comment on his suggestions regarding the unoccupied rate. Rates are, historically, a tax on the occupation of property, rather than its ownership and the difficulties caused by the rating of unoccupied property are the result of political tinkering with the system. While rating may have its defects, and it is certainly arguable that too much is now expected of it, I am sure that most rating practitioners would agree that the system would work a lot better without the interference by successive Governments for political rather than fiscal reasons.

W. G. Bridge.
3, Marysgate,
Brewood,
Stafford.

Resources

From Captain J. Ellingham RN (Retd.)

Sir,—We appear to be on our way to solving some of our immediate problems but the next century seldom seems to be considered. Is it not time that our infrastructure is brought up to date by using our present surplus capacity to work towards a more cost effective future?

May I ask for an old pipe dream to be reinvestigated—taking into account the changes of recent years, particularly the increased energy costs and surplus manpower. The nation is crying out for a national aim for which they can work with pride and zeal; what better project could there be than a national water grid? The water grid, unlike its electrical counterpart, would have uses and benefits which could be developed step by step opening up new industries, new occupations and new lifestyles.

The water grid could be a sophisticated canal system distributing water as required, especially in a dry summer; it could boost crops by irrigation and, most important of all, reduce the pressure on our motorways and transport costs. A new and more tranquil way of life would be the lot of those lucky enough to man the system, be it ashore or afloat. The materials and labour are available within the country, the technology is well proven and the existing network can be incorporated in the enlarged network. The finance required may be considerable but once a clear intention has been declared much will flow from private enterprise and with the enthusiasm that water generates within an island race the project could gather momentum in a very short time so that our grandchildren will bless the farsightedness of their forefathers.

(Captain) J. H. G. Ellingham RN (Retd),
54 Warblington Road,
Emsworth, Hants.

Hazards

From Mr. P. Teanby

Sir,—As one who has been involved in the field of thermal insulation and the thermodynamics of buildings I thought to offer a word of caution about some forms of secondary double glazing.

For the last few weeks I have been viewing houses in the south, some offering the advantage of full or partial double glazing, and I have been appalled to see the structural damage some of these systems are causing. Many of the installations consist of a second pane of glass, edged with plastic or metal surrounds, set into the window recesses and abutting the original window frame. The space between the two panes of glass varied from 10 mm to 60 mm. For maximum thermal resistance the intervening space should be about 20 mm.

Ample evidence was available in several houses I viewed to show that over a period of time, water had caused window frames to rot. Initial signs were the paint lifting while, in other instances, the joints of the window frames had rotted. Replacing the frames would have often required removing the external rendering, adding further to the cost of repairs.

The public is known to misunderstand the potential energy saving of double glazing. Where claims of a 50 per cent reduction in conducted heat loss are made, this is only applicable to that part of an external wall which is glazed and a fully double-glazed dwelling probably contributes an energy saving of less than 5 per cent to the annual fuel cost. Fully sealed glazing may also adversely affect the normal ventilation of a room leading, not to condensation on the window, but to damp walls. Unless an air brick is installed to restore the normal air changes per hour.

My point is that the capital cost and the cost of repairing structural damage induced by these systems has to be related not only to the marginal annual energy saving but also the saleability of the property in due course.

Many estate agents make glowing references to double glazing in their description of a property, in the belief that they are serving their clients' interests. But, ask them about the "U" value of the roof or walls and they are quite lost for an answer.

P. M. Teanby.
4 Castle Road,
Camberley, Surrey.

Income

From Mr. R. Rushen.

Sir, — Mr. Russell and Mr. Little (May 2) have unfortunately misunderstood my letter about the investment policy of the retired husband. Perhaps I may be allowed to put things straight.

The husband shsould not, as Mr. Short suggested, give his money away to his heirs to save them capital transfer tax, or spend it on a world cruise, unless, of course, there is so much money about that there is no risk of "poor mummy starving."

His investment policy should, I suggest, be to preserve and accumulate capital — to the extent that personal circumstances permit — so that the maximum possible sum is available to the widow, to produce for her the extra income needed to compensate for the drop in pension. The investment of that capital sum should, of course—*pace* Mr. Little — take cognisance of inflation in endeavouring to provide optimum income during the whole of the widow's life. She may need expert guidance, though I agree with Mr. Russell that many widows will have acquired considerable financial acumen.

The above, I suggest, is not "false advice" or as naive as your correspondents imply, but maybe my letter could have been clearer.

R. E. Rushen.
40, Nairn Road, Canford Cliffs,
Poole, Dorset.

Excellence

From Miss N. Bishop

Sir,—After reading the article by Antony Thorncroft (April 29) on Gary Numan, I felt very angry.

I too was at the concert but I do not consider myself as a "kid" and what's more I saw very few "kids" in the audience. In fact I would say the average age was between 17 and 18 and this age is normally considered as adult.

I, along with most at the concert, found it excellent, in my eyes (and thousands of others) the music did not drone, Gary was not boring and it certainly was not expensive. At £4 a ticket it was considerably cheaper than most shows in London and he was on stage for two hours 10 minutes which is also more than most.

I am sorry Mr. Thorncroft did not enjoy it but maybe he should take into consideration the fact that Gary Numan's type of music is for the younger people.

(Miss) N. Bishop.
56, Greenfield Road,
Ramsgate,
Kent.

Taxes

From Mr. D. Kelly.

Sir, — As one who has campaigned against both Labour and Conservative administrations over the iniquity of capital gains tax, I welcome your correspondence on the subject.

In 1979 the Conservative manifesto said: "We shal deal with the most damaging features of capital transfer and capital gains taxes. . . ." Yet in the 1980 Budget Sir Geoffrey Howe ruled out the reforms which would mitigate the most damaging feature of all, the effect of inflation on CGT which produces a rate far in excess of the 30 per cent ruled by Parliament, sometimes actually taxing a real loss. The 1977 Inland Revenue note on the subject opposed both tapering and indexation as a solution and abolition was rejected for its loss of revenue, despite the fact that CGT has often contribted less than 1 per cent of tax takings since its introduction in 1965.

I submit that abolition, given the principle that government cannot condone legalised theft, is the only solution. The nett loss would be insignificant in overall terms and would soon be restored by the increased economic activity that would be bound to result from use of savings and investments, at present "locked in" to unproductive schemes.

It is time for the Conservatives to honour their election pledge, despite any short-term opprobrium they might experience from their political opponents and put honour before expediency.

David C. Kelly.
"Thornfield," Parsons Intake,
29, Rossett Drive, Harrogate,
Yorkshire.

CURRENCY MARKETS IN TURMOIL

The marauding dollar spares no one

David Marsh looks at the spurt in U.S. interest rates

SOARING U.S. interest rates in the first week of May have given the dollar a scorching start to the summer. But the Reagan Administration's monetary crusade against inflation has sent a wintry blast around the world's stock and bond markets, knocked another dent in the once-strong currencies of Europe, and further chilled prospects for international economic recovery.

American interest rates have spurted upwards — the third such wave in just over a year —just at the time when governments, businesses and investors around the world had been hoping for a slackening of the monetary squeeze.

The U.S. economy was surprisingly buoyant in the first quarter this year. But growth during the rest of 1981 is expected to be subdued.

Led by West Germany, the faltering powerhouse of Europe, most industrialised nations are being forced to keep interest rates at well above the level of inflation in order to keep up with the American surge and protect themselves against further currency depreciation.

Developing nations owing billions of dollars to international banks face a further crippling increase in the cost of servicing their debts, adding a further drag to the world economy.

Relief is still some way off.

To bring down inflation, the 3½ month old Reagan Government is putting its faith in tight control of the money supply, which has been rising lately at well above the Federal Reserve's target rate.

But to revitalise the economy, the Administration is intent on swingeing tax reductions. Although planned to be accompanied by spending cuts, the programme may push up the budget deficit and increase interest rate pressures on the American credit markets, economists believe.

Mr. Donald Regan, the U.S. Treasury Secretary, this week underlined that the financial markets face a testing interim period as the world waits to see whether Reaganomics works.

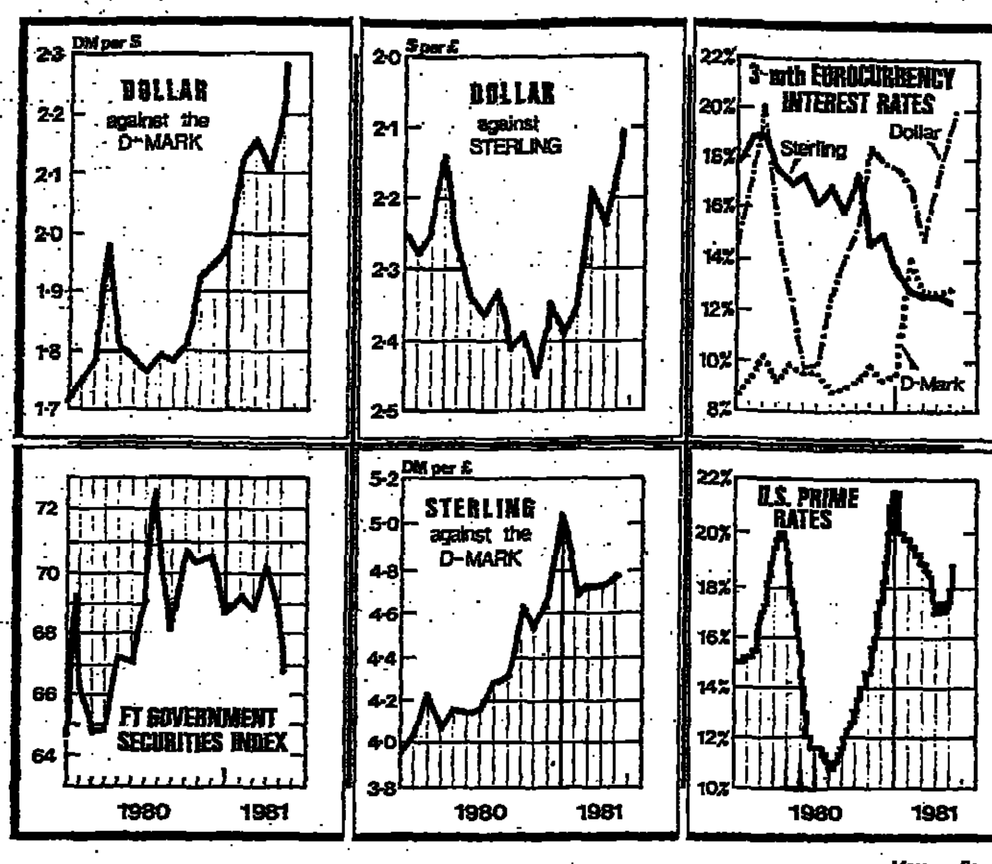
He predicted a further rise in U.S. banks' prime lending rates (already raised from 18 to 19 per cent at the beginning of last week) and said that high interest rates would persist "for a couple of months."

With this prospect, international investors this week were faced with only one course of action — to sell everything except the U.S. currency.

The marauding dollar climbed to a 3½-year high against a trade-weighted basket of currencies. Pressure was most severe on the Continent. The D-Mark fell again beneath the level of DM 2.25 to the dollar.

Sparked off by heavy selling on previously-optimistic Wall Street, stock markets plunged in London, the rest of Europe and the Far East. Setting off a trail of destruction on fixed interest markets around the world, prices dropped in mid-week to record lows on the New York bond market.

A rally took place towards the end of the week, but bond operators feel it may prove fragile.



Martyn Barnes

The new drive into the dollar has heightened the discomfort of the embattled Bundesbank.

The Bundesbank knows it cannot complain too stridently. Only two years ago, European central bankers were loudly urging the U.S. to take tough monetary measures to beat inflation.

Adding to Europe's discomfort about America's harsh monetary policies, the U.S. has announced that it is stopping the Carter Administration's practice of intervening regularly on the oreign exchanges.

For at least one European central banker, Mr. Beryl Sprinkel, the U.S. Treasury Under-Secretary who outlined the new intervention policy this week, is now known as "Beryl the Peril." This central banker believes that the new Administration is entering a "learning process" and may reconsider the need for intervention if the dollar once again goes through a sticky patch in the next four years.

A similar view is held by Dr. Otmar Emminger, the former president of the Bundesbank, who is in one of the best positions to judge the gyrations of international finance.

Dr. Emminger is sceptical about what he calls "the American's policy of orienting their monetary measures to very short-term statistical fluctuations in money supply." But he says: "I cannot criticise them. They have the autonomy to do it their own way. We will give them the benefit of the doubt for another four to six months."

Peter Riddell assesses prospects for Britain

THE international financial turbulence of the last fortnight has given Britain a buffeting but it has not forced a change of direction. Sterling has declined against the dollar but it has risen slightly compared with the main Continental currencies. The Government argues that its economic strategy remains intact, though a further cut in interest rates has been delayed.

In short, British exporters to the U.S. will benefit, while those selling to the Continent will continue to face tight competitive pressures. And borrowers will have to remain patient.

The whole episode is in marked contrast to the experience of most of 1979 and 1980. Sterling then rose sharply, even compared with the dollar when the U.S. currency was strong. UK labour costs were also rising much more rapidly than those overseas, so that the competitive position of British goods deteriorated substantially.

Yet over the last two or three months the clamour from industry about sterling has quietened markedly. The recent Confederation of British Industry quarterly trends survey pointed to a big revival in business optimism about export prospects over the next 12 months.

What has happened is that some of the pressures which pushed up sterling in 1979 and in 1980 have been reversed. The pound had been boosted by the rise in oil prices (enhancing the advantages of the UK as a major producer), by the high level of UK interest rates compared with those abroad and, more intangibly, by the relative attractions of the Thatcher Government's economic policies.

This year, however, some crude oil prices have weakened. Most significant of all has been the changing balance of interest rates. The five-point drop in UK rates in the last year and the sharp rise in the U.S. has created a record gap in returns on either side of the Atlantic.

The consequence has been that overseas inflows into banking deposits and gilt-edged stocks in London have by and large stopped and, in part, been reversed. At the same time the abolition of exchange controls in October 1979 has allowed U.K. residents to switch into foreign currency bank accounts on a large scale and to buy shares and property abroad.

The pressures have been reflected in a steady fall in the value of sterling against the dollar from above $2.40. This started at the end of January and the rate dipped below $2.20 even in early March. But after a slight drop in February the pound has remained steady against the main Continental currencies (especially those participating in the European Monetary System).

The result has been that the trade-weighted index measuring the average value of sterling against other currencies has dropped by 6 per cent since late January (though it has hardly changed at all in the last fortnight).

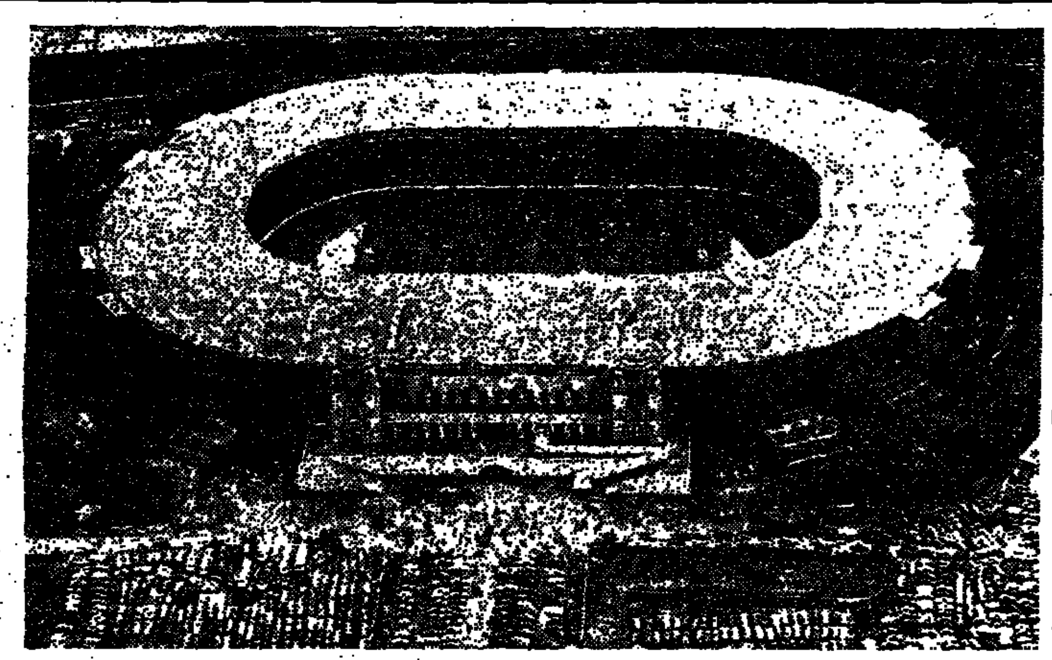
This decline has been generally welcomed after the earlier fears about over-valuation. The growth of UK labour costs has also slowed appreciably in the current pay round. And with many manufacturing companies claiming big potential productivity gains, the erosion in Britain's competitive position has probably been checked, and may even have been partially reversed. But there is still a long way to go to recoup all the deterioration of the last three years.

Consequently, the latest currency movements are not sounding warning bells in Whitehall. There is some apprehension, however. No central bankers or financial official temperamentally likes market fluctuations as sharp as those seen recently. So there is a desire to sit tight particularly until it becomes clearer when and where U.S. interest rates will peak and what may happen to the French franc after tomorrow's election.

This caution has, anyway, been reinforced by uncertainty on the domestic side. This has been created by the Civil Service dispute, which has delayed tax revenue and inflated Government borrowing and the money supply. Hence, while the main objective of the Budget was a further cut in interest rates, nothing is likely to be done which can be seen as risky. A sharp fall in sterling now might push up inflation just when a single figure rate of increase is in sight.

Weekend Brief

A way to beat ticket forgers



Will Wembley Stadium buy Norwich City's computer?

Tottenham Hotspur and Manchester City meet today in the F.A. Cup Final—the highlight of the football season and the ambition of every team.

But they are not the only football clubs which will be at Wembley. Norwich City, whose former manager, John Bond, will lead out the Manchester team, is also there, though not for the cash and the glory of the cup.

The club is at the stadium to show off its new computer system which it feels could do much to revolutionise administration for large sporting clubs.

Norwich also hopes that it can persuade the Wembley Stadium authorities to buy the system it has developed to print tickets by computer to help cut down the risk of forged ones.

Over the years the Wembley authorities have had problems with counterfeit tickets. With a seating capacity of 100,000 at Wembley, forgers stand to gain at least £100,000 by forging only 10 per cent of the available tickets for important matches like the Cup Final or rugby internationals.

Ticket touts selling outside the ground on the day can get between £50 and £100 for tickets which originally sold for between £3.50 and £12.50.

Though the computer ticket system may not dampen the enthusiasm of the prospective forgers it will be easier for both the authorities and the potential buyers to spot a forgery.

The computer actually prints out the tickets, not only with the usual sequential numbering system on each ticket but also an additional set of numbers which are randomly picked by the computer. This is the security code.

All the ticket owner has to do to check that a ticket is valid is to phone the ticket office and read over the two numbers which are then checked against those stored within the computer's memory. Also if the club notes that there have been several inquiries for the same number, it can then alert the gate on the day that someone has been duplicating a valid ticket.

Norwich decided that it needed a small computer to help run its increasingly complex affairs but failed to find a suitable system. So it decided to develop its own computer programs based on the Apple computer system, which is made by a U.S. owned company but now also manufactured in Ireland.

As a result Norwich discovered that there were other time and money saving tasks the computer could do such as accounts and payment of players and other staff; the stock control of bars and the printing of match tickets. In the first year of operation the club saved £5,000 while the cost of installing the computer was only £3,500.

Professional football and cricket cannot exist in their present form simply on the revenue received from gates, membership and season tickets. To an ever-increasing degree they depend on the money received from sponsorship, television and extra curricular activities such as lotteries to balance their books.

Industrial sponsorship of individual teams by companies such as Talbot and Hitachi now bring in more than £2.5m to football, while support of major cricket tournament contributes about £1.5m to cricket.

Even more important to football clubs are weekly lotteries, which for Norwich can bring in up to £10,000 in a week, leaving a profit after prizes and administration of about £4,000.

But the extra activities run by the clubs can put a strain on administration, and accounting becomes difficult to control. Norwich's stadium at Carrow Road is modern containing an executive suite which can be hired for functions, 15 bars and their own public house, the Nest, which claims to shift more beer than any other hostelry in the city.

The success of Norwich's system in keeping track of its affairs prompted the club to set up a computer company, First Division Computers. Ironically Norwich has just failed to escape relegation to the second division.

Another co-incidence is that Leicester City, which faces relegation next season, also markets a computer ticket system.

For such clubs relegation is a severe financial blow as it is likely to lead to a considerable reduction in the return from away matches as well as a drop in income from home gates.

Norwich hopes that its new computer subsidiary will help to soften the fall. It has already sold similar systems to two other football clubs; West Bromwich Albion and Aberdeen and is installing another for Kent County Cricket Club. West Bromwich Albion's system cost £11,000 and has, in less than a year, saved the club £10,000. Aberdeen has made similar savings.

Today many fotball clubs, including those in the first division such as Wolverhampton, Derby County, Coventry and Stoke have come to see the Norwich computer in action. The club says that three others are also close to placing an order. These are Doncaster Rovers, Southampton and West Ham.

One hopes that Norwich Football Club can get back into the first division—just like its computers.

Hollywood's financial fiasco

The local playhouse in Mamaroneck, a discreetly middle class community in the northern suburbs of New York, has been showing all week the new shorter version of the controversial $38m film "Heaven's Gate" to disappointingly thin audiences of popcorn addicts, necking couples and the odd executive taking his wife out to the flicks and the Chinese eatery.

Similar scenes have been repeated throughout the country since the film—which is already being billed as one of Hollywood's greatest financial fiascos—was finally released about two weeks ago. The plush Loews Astor Plaza in New York, which has pinball machines and other electronic amusements in the lobby, grossed a meagre $10,000 the first weekend of screening—or less than half the cinema's operating expenses for a week.

With the exception of the liberal-minded Village Voice, the critics have given the film a hammering, although the howls have been somewhat less strident than after the film's unfortunate and short-lived premiere last November.

The film was originally 225 minutes long. Even by Hollywood's hyperbolic standards, it was one of the longest and most expensive films ever. The studio, United Artists, which was founded in 1919 by Mary Pickford, Charlie Chaplin and D. W. Griffith but is now owned by the TransAmerican conglomerate with interests ranging from insurance to car rentals and air cargo, originally set an $11.6m budget for the film.

The film is about the Cattle Wars of 1890 in Johnson County, Wyoming. Although it is basically an upmarket Western, its intentions are much broader and its theme is about the loss of the "American Dream" because of America's overriding greed for money and property. From the beginning it was conceived, written, directed and controlled by Mr. Michael Cimino, who jumped to fame with his Oscar winning film about Vietnam "The Deer Hunter." The extraordinary thing is that Mr. Cimino was given virtually carte blanche by his producers even though United Artists had been increasingly worried by the escalating budget and the length of the picture.

When it was screened in November, the New York Times critic said the film "fails so completely that you might suspect Mr. Cimino sold his soul to the Devil to obtain the success of 'The Deer Hunter,' and the Devil has just come around to collect." Horrified by the critics, United Artists quickly withdrew the film from circulation and immediately set to work editing it. Although the editing appears to have improved the film, which is now 145 minutes long, it has not produced the miracle for which United Artists had hoped.

Hollywood had seemed to have returned to the glorious days of the 1960s when the big budget blockbusters were the rage.

These films like "Jaws," helped to start a trend in Hollywood to allow a new wave of relatively young inexperienced directors to undertake huge projects, at whatever expense and whim. "Heaven's Gate" now appears to have put the lid on the enthusiasm to let younger so-called "genius directors" run loose.

It seems the studios are having profound doubts about their free spending euphoria of recent years. They had a costly actors' strike last summer, are now facing a similar strike by screen writers and are likely to have another strike in June when the director's contracts come up for renewal. Runaway costs of recent productions, and the general decline in cinema attendance are all casting long shadows.

It is ironic that "Heaven's Gate" should have come out of United Artists, the studio originally founded to enable the likes of Pickford and Chaplin to distribute their own and other people's quality films and unshackle them from the big Hollywood moguls. It is equally ironic that under the new corporate image of United Artists, a director was given such freedom to produce literally unchecked what will inevitably go down as one of Hollywood's most spectacular flops.

Contributors
Trevor Bailey
and Elaine Williams
Paul Betts

Economic Diary

TODAY: Annual delegate conference of Inland Revenue Staff Federation discusses pay and public expenditure cuts, Imperial College Conference Centre, London. Last day for purchase of 19th issue of National Savings Certificates. The Queen inaugurates oil terminal at Sullom Voe, Shetland Islands. Japanese Prime Minister Zenko Suzuki in Ottowa.

TOMORROW: Elections in France and West Berlin. National Union of Public Employees conference opens, Bournemouth.

MONDAY: European Central Bankers begin two-day meeting in Basle. Herr Helmut Schmidt, West German Chancellor, on two-day visit to UK. One-day stoppage by Midland Bank data processing staff. Completion of committee of the whole House of Commons on Finance Bill. EEC Finance Ministers meet, Brussels. Two-day meeting of Agriculture Ministers opens, Brussels. Two-day Financial Times conference on World Electronics begins, Grosvenor House, London. New 21st issue of National Savings Certificates on sale. Civil and Public Services Association conference opens, Blackpool.

TUESDAY: Building Societies figures (April). Wholesale price index (April provisional). Central Government transactions (including borrowing requirement) (April). Hire purchase and other instalment credit business (March). Retail sales (March final). EEC Steel Ministers meet, Brussels. Sir Geoffrey Howe, Chancellor of the Exchequer, lectures on "The Fight Against Inflation, City University, London. Union of Construction, Allied Trades and Technicians regional secretaries meet on pay. NATO Defence Ministers meet, Brussels.

WEDNESDAY: TUC economic committee meets. Financial Times conference on Traded Options, 76, Mark Lane, London —opening address by Mr. Nicholas Goodison, Stock Exchange chairman.

THURSDAY: UK banks' assets and liabilities and the money stock (mid-April). London dollar and sterling certificates of deposit (mid-April). NUM executive meets. Association of University Teachers conference opens, Cardiff University.

FRIDAY: Usable steel production (April).

Barratt to fund expansion with £21.7m rights issue

BY ANDREW TAYLOR

Barratt Developments, the UK based housebuilder which has recently expanded into residential development in the U.S. yesterday launched a £21.7m rights issue.

The group says it will use the cash to fund its purchase, last month, of McKeon Construction Inc. of San Francisco for U.S.$ 32m—of which U.S.$ 16m is still outstanding and due to be paid in July.

The rights issue will also help finance Barratt's further expansion into the UK commercial property market. The group has recently acquired several new development in London and the South East.

Barratt is offering shareholders one new share at 190p for every four now held. The group expects to announce a final dividend of 8.85p for the year ending June 30, 1981 — making an effective increase in dividend payments for 1980/81 of 25 per cent. The share price fell 8p to 224p following the rights issue announcement.

Barratt has been steadily increasing its share of the UK new housing market and estimates that it is on target to build nearly 11,500 homes in its current financial year—around 11 per cent of the home market.

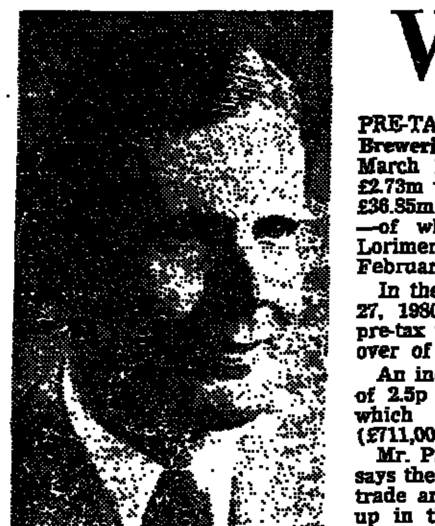
The group has also been seeking to expand its U.S. housing interests and the purchase of McKeon follows an earlier acquisition of American National Housing Corporation in March 1980 for U.S.$ 12m.

At the same time the group has been expanding its commerical property portfolios and in the current financial year expects to have committed a further £14m to new investments. By June 1982 Barratt estimates that its property investments will be generating an annual rent roll of around £4m.

Meanwhile the new issue will help to reduce the group's borrowings, which on April 24 stood at £92m. By the end of June the group expects this to have been reduced to around £55m. The issue, which has been underwritten by S. G. Warburg—brokers are Cazenove and Co.—is due to close at 3 pm on Monday June 1.

See Lex, Back Page

Vaux Breweries advances £0.71m



Mr. Paul Nicholson, Vaux chairman: foresees bright prospects

PRE-TAX profit of Vaux Breweries for the 24 weeks to March 14, 1981 increased from £2.73m to £3.42m on turnover of £36.85m compared with £40.8m—of which £8.85m related to Lorimers sold by the group on February 16, 1980.

In the 52 weeks to September 27, 1980, the company made a pre-tax profit of £8.71m on turnover of £81.7m.

An increased interim dividend of 2.5p (2.212p) per 25p share, which absorbs £802,000 (£711,000), has been declared.

Mr. Paul Nicholson, chairman, says the immediate prospects for trade are uncertain. "Any pick-up in the economy would help our home sales but the effects of the grossly excessive increase in excise duties in the budget may further depress beer sales."

He says the group has a number of projects coming on stream. Yesterday saw the opening of the new 123-bedroom Swallow Hotel at exit 28 off the M1 near Nottingham. In September the group hopes to commission a new packaging hall and canning line costing £3.2m which will replace the canning facilities at Lorimers.

From January 1, 1982, a successor company to Tyne Tees will operate the independent television franchise for the North East. Vaux has provisionally agreed to buy up to 1m shares (20 per cent) in this company at a par value of £1 each.

"We continue to look for opportunities overseas, particularly in the U.S. We believe that these and other developments will help to make the longer term prospects for the company bright," he concludes.

Pre-tax profit was struck after financial income of £110,000 (£756,000 charge). Tax took £938,000 (£708,000).

● comment

The recession is biting hard in the Vaux catchment area of the north east but it still managed to keep interim trading profits moving ahead. Pre-tax Vaux is well up thanks to interest on the £20m cash injection last year from the sale of Lorimers to Allied Breweries. The second half should have got off to a reasonable start with the brewer picking up market share when Scottish and Newcastle was hit by a strike. So, with the usual caveat over the summer weather, Vaux might make £9¼m pre-tax this year. At 176p, down 5p, the fully taxed p/e is around 13 while Boddingtons, for example, is up around 20. But the institutions are wary of Vaux. The company is yet to find a home for the cash it got from Lorimers and opportunities in the brewing/hotel field look limited. There is talk of moves into Australia and the U.S. but much larger competitors have trod that path unsuccessfully. The TV franchise may be interesting but Tyne Tees is not the most exciting catch in the network. Yet if Vaux finds a promising area for its money—one that does not worry the institutions—the shares could come in for a rerating.

First half upturn to £1.2m by Whessoe

PRE-TAX profits of Whessoe, the Darlington-based engineering group, jumped from £44,000 to £1.15m for the half-year to March 28, 1981, on sales up from £18.39m to £24.65m.

An interim dividend of 3p per 25p share has been declared, compared with a nil payment in the previous full year when the group incurred a pre-tax loss of £411,994.

Lord Erroll of Hale, chairman, says the recovery forecast at the year-end is now evident. All the group's main operating subsidiaries are now trading profitably and he expects their recovery to gather momentum in the second half.

The heavy engineering division, which has plants in the UK, Ireland and Nigeria, showed a marked improvement in performance with an increase in sales from £9.81m to £13.73m and trading profits up from £600,000 to £1.63m.

Light engineering raised sales to £3.81m (£2.7m) and profits were up to £455,000 (£377,000).

Aiton, the division which manufactures fabricated pipework systems, saw sales rise from £5.88m to £7.11m but profits fell from £532,000 to £529,000.

The Derby plant remains short of work but the chairman says the recent award of contracts worth £20m for high pressure pipework for the Heysham and Torness AGR nuclear power stations should ensure a satisfactory level of activity in the future.

Overseas, Aiton Australia continues to grow and Aiton Power of Canada is recovering from last year's setbacks.

Group trading profit improved from £1.51m to £2.62m and the taxable surplus was struck after deducting depreciation of £871,000 (£495,000), interest of £507,000 (£764,000) and an exchange loss of £90,000 (£206,000).

Earnings per share emerged at 9.2p against a loss last time of 0.8p after a tax charge of £315,000 (£121,000).

The chairman comments that the group's cash flow has been strongly positive and that a substantial reduction in borrowings has been achieved with a consequent drop in interest charges.

● comment

In its own quiet way, Whessoe helped to lift confidence in the market as a whole yesterday. The shares climbed 17p to a peak of 113p for the year as interim profits recovered sharply from the steep setback last year. But Whessoe has only achieved what it was confident that it would attain at the beginning of last December. Cash flow and profits reflect the successful final transition from the procurement stage on major contracts, and its consequent heavy financing burden, through to the progress payments. Depreciation is still relatively high but the redundancy bill was paid last year and the cash inflow has brought income gearing down from over 50 per cent a year ago to 19 per cent. Yet, despite the strength of the £200m-plus order book, the shares remain highly speculative as long as the prospect of a mega-claim from Qatar is on the horizon. Two major construction groups, Costain and Newarthill, have taken the gamble and hold large, disclosable stakes. For the more cautious, there is the comfort of the first phase of what should be full dividend restoration. A repeat of the 1979 record of 6p net per share—the interim this time is already 3p—would cost £542,000 and yield 7.8 per cent.

Tricoville forecasts record year

THE directors of Tricoville, which designs, produces and markets fashion wear, report little changed interim pre-tax profits of £504,000 compared with £501,000, for the six months ended January 19, 1981.

The interim dividend is unchanged at 0.846p per 10p share absorbing £33,840 and Mr. D. A. Jacobs, chairman, says the full year's profits are expected to exceed last year's record level.

Turnover for the first half was £5,780,000 (£4,917,000). Tax took £239,000 (£246,000) leaving profits after tax 4 per cent up at £265,000 (£255,000).

Mr. Jacobs adds: "Considering the difficult trading conditions experienced at retail level throughout the country during the period under review, we are pleased to have maintained half-year profits at last year's level."

In the last full year, to July 19, 1980, a pre-tax profit of £913,000 was achieved by Tricoville which has showrooms in Manchester and Glasgow. Total net dividend paid was 2.676p per 10p share.

McCairns slides

Turnover of McCairns (PMPA), motor vehicle distributor, slumped from £19.98m to £10.93m in the year to September 30, 1980.

The attributable profit plunged from £395,000 to £168,000 after tax substantially down at £151,000 (£342,000).

The final dividend is reduced at 2.5p (3.5p) per 25p share making a total for the year of 4p (5.5p). Earnings per share are stated at 8.43p (19.75p).

GR Hldgs. lower at mid-year

IN THE six months to the end of 1980, pre-tax profits of GR (Holdings) slipped from £1.51m to £1.35m, on turnover reduced to £12.81m against £14.17m.

The directors of this sheepskin and fur merchanting and garment manufacturing group have declared an unchanged net interim dividend of 1.6p—last year a total of 6.8p was paid from taxable profits of £2.99m.

After tax of £705,000 (£790,000) first-half earnings per 25p share are shown as 13.1p (14.9p).

Uniflex dives to £0.4m loss

ON TURNOVER of £23.63m for 1980, down from £24.11m for the previous 11 months, Uniflex Holdings plunged from a pre-tax profit of £505,000 to a loss of £441,000.

At the half-year stage this furniture manufacturer made a pre-tax profit of £271,000 (£234,000) and turnover stood at £13.81m (£10.15m).

The directors have recommended that no dividend be paid for the year (1.5p per 10p share).

The directors say there has been little improvement since the year end in the furniture industry. Management accounts however show a small profit for the first quarter.

Commenting on the 1980 results they say intense competion from both the domestic and imported sources necessitated maintained or reduced selling prices, thus preventing full recovery of higher costs, which resulted in the further erosion of margins.

The reduction in consumer purchasing was compounded by massive destocking throughout the retail sector, thus reducing still further the orders received by the manufacturing company.

Uniflex was forced to make more than 150 redundancies in 1980 and a further 100 redundancies have been made in 1981. Additionally two loss making subsidiaries have been closed down, and a further subsidiary sold they say.

The company has however acquired two companies in 1981: Foster-Len and Besway. In February 1981 it also acquired the goodwill and manufacturing rights of William Steel and Company, manufacturers of Steelux products and the Z-bed.

Pre-tax profit was struck after interest charges of £400,000 (£412,000). Tax took £1,000 (£2,000) and there was an extraordinary debit of £379,000 (nil).

The stated loss per share is 18.42p (21.8p earnings).

Ulster TV higher

Turnover of Ulster Television was well ahead from £2.76m to £4.37m for the six months to January 31, 1981, while pre-tax profits improved by £15,000 to £331,000. Comparatives, however, reflected the full effects of the 11-week national dispute in the latter part of 1979.

After tax of £159,000 (£156,000) earnings per share were 7.2p, compared with 6.7p. The net interim dividend is raised from 2.6p to 3p and it is expected that the final will not be less than the interim—the total last time was 5.2p.

Pochins makes strong headway

For the six months to November 30, 1980, pre-tax profits of Pochins rose from £252,248 to £451,869 and the directors expect the full year result to compare favourably with previous years.

The net interim dividend is held at 0.875p. Last year a total 9p was paid from profits of £715,000.

Turnover of this builder and civil engineering contractor, improved from £7.33m to £12.01m during the first half.

JERSEY OFFSHORE INV. CO. LAUNCH

Arbuthnot Securities is launching a new Jersey offshore investment company, Arbuthnot Dollar Income Trust. The company has been formed to take advantage of the attractive rates available on a variety of readily marketable fixed interest dollar securities.

Up to 19.99m participating shares of 1 cent each, which may be issued as either income or capital shares, are available at US$1 each. The company will be able to issue and redeem shares and will operate in the same way as a unit trust.

Youghal Carpets plunges I£2.54m into the red

An unprecented rise in costs plunged Youghal Carpets, the Irish carpets manufacturer, spinners and dyers, into the red with a 1980 taxable loss of I£2.54m against a profit last time of I£166,000. And for the third year running, the group has not declared a dividend.

Group sales volume slumped at home and abroad although in value terms turnover increased from £61.64m to £69.85m.

At the halfway stage, the company showed a pre-tax loss of £1.56m, compared with a profit of £759,000 previously, but towards the end of the year the results of internal reorganisation and rationalisation began to bear fruit.

The directors say the resulting cost reductions together with the benefits of government financial aid halted the decline.

The first quarter of 1981 has seen this trend continue and the directors say that unless there is a further deterioration in world market conditions or serious industrial disruption the group should stage a recovery in the second half.

The trading profit was £942,000 (£2.71m) and the taxable surplus was struck after increased interest charges of £3.34m (£2.55m) and reorganisation costs of £143,000 (nil).

Attributable losses were £1.74m (£630,000) and the loss per 25p share emerged at 7p, against earnings last time of 1.9p.

The extraordinary items arose out of the closure of the Solent Carpet Company in Southampton and a reduction in the operation of Koninklijke Vereenigde Tapijtfabrieken NV (KVT) on the Continent.

DIVIDENDS ANNOUNCED

	Current payment	Date at payment	Corre-sponding div.	Total for year	Total last year
G.R. Holdings ....int.	1.6	July 2	1.6	—	6.8
Herman Smith ....int.	0.2	June 2	0.17*	—	0.37ç
Higsons Brewery ...int.	0.4	June 26	0.4	—	3.2
Lanca	2.4	—	2.4	2.4	2.4
Manor National	nil	—	1.5	nil	2.5
McCairns	2.5	—	3.5	4	5.5
Messina (Transvaal) int.	22.5‡	Aug. 1	15	—	45
Pochins	0.88	June 26	0.88	—	9
Tricoville ....int.	0.85	—	0.85	—	2.68
Ulster Television ...int.	3	—	2.6	—	5.2
Uniflex	nil	—	1.5	nil	1.5
Vaux Breweries ......int.	2.5	July 3	2.21	—	6.83
Whessoe ....int.	3	—	nil	—	nil
Drayton Cons. ....int.	2	May 26	2	—	7.6
Dualvest	3.29	May 29	3.2	6.97	6.14
Fulcrum Inv. Tr. ...int.	2.1	June 30	2.1	—	4.6

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ South African cents gross throughout.

USM placing for Business Computers

Business Computers (Systems) is coming to the Stock Exchange's Unlisted Securities Market by way of a placing of 1.46m ordinary shares, 25 per cent of those issued, at 85p a share.

BCS offers a range of mini- and micro-computer systems that sell from approximately £7,000 to £50,000. It supplies complete systems, including hardware, software, installation, training and maintenance. It has installed a total of 1,200 computers, 380 of them last year, and has specialised software for all types of wholesalers and distributors.

The present management, led by Mr. Michael Munnelly, Mr. Eric Gilliland and Mr. Martin Alcock, bought a controlling interest in 1976. Turnover has grown from £0.88m in 1976 to £4.79m in 1980 and the group has moved from a loss of £0.3m in 1976 to a profit of £0.4m in 1980.

The placing prospectus says the company was ahead of its targets for orders and sales revenue in the first quarter and claims that it has not been unduly affected by the present state of the economy. BCS is the sole UK distributor of Xerox Diablo computers and seeks to extend this relationship by becoming the distributor of new business computers made by Ampex, which will be complementary to the Xerox models.

No dividends have been paid in the past five years but the directors intend to recommend a distribution of 1p a share in respect of 1981, payable in or about June, 1982.

The placing is being carried out to obtain a USM quotation. The shares in the placing are being provided by existing shareholders and so none of the proceeds will go to the company.

The balance sheet at December 31 shows net tangible assets of £812,000, composed of £236,000 in fixed assets, £226,000 in cash and no borrowings.

The placing has been made by Barclays Merchant Bank and brokers to the issue are Cazenove.

Dealings are expected to begin in the USM on May 14.

● comment

Business Computers (Systems) looks like the kind of company the Stock Exchange wanted most to attract when it launched the USM last autumn. It is in a high technology business with strong entrepreneurial management and a profit growth rate that should make a full listing sensible within a few years. The shares seem destined to receive a warm welcome when dealings begin next week but at least the founders have provided enough shares to keep the premium within reasonable limits, perhaps 25 per cent. The company has an ambitious development programme under way this year on software packages and is expanding into the retailing of personal computers. All costs are treated as current expenses and so profit growth may be less exciting than in the past few years. The placing price reflects a valuation of nearly £5m on the company and the fully taxed historic p/e at the placing price is 25.

BIDS AND DEALS

Winston Estates in takeover talks

Winston Estates, property development and investment group, yesterday announced it was engaged in talks which may result in an offer being made for the company. The shares were suspended at 73p, placing a value of £4.3m on the group.

The largest single shareholder is Eagle Star Insurance with an 18.11 per cent stake, but the company denied it had made a bid approach.

Other large shareholders are Mr. Trevor Passmore, the chairman of Winston, and his family with 10.42 per cent, Priestgate Trust with 7.4 per cent and A.C. Developments Northern with a holding of 5.87 per cent.

The group reported a large increase in profits from £405,351 to £932,670 in the year 1980.

TRUSTHOUSE FORTE AND SAVOY HOTEL

Trusthouse Forte yesterday acquired 20,000 "A" ordinary shares in Savoy Hotel at 190p and 414 "B" ordinary shares in the company at £11.22½.

HARTWELLS

Corbillot Holdings SA (a company domiciled in Panama) has disposed of its holding of 813,000 ordinary shares (6.9 per cent) in Hartwells Group.

Berisford bid rejected by British Sugar

THE British Sugar Corporation has written to shareholders formally rejecting the bid from S. and W. Berisford.

Sir Gerald Thorley, chairman of British Sugar, says the directors, advised by J. Henry Schroder Wagg and Co., unanimously oppose the bid

Sir Gerald says he will be writing to holders to explain in full the reasons why they should reject the bid. But in the meantime they are advised not to take any action.

Berisford, the commodity trading group, claimed in its offer document sent out earlier this week that British Sugar had reached the limit of its likely development as an independent company. Berisford is offering 285p per share.

BANK OF SCOTLAND & KELLOCK TRUST

Bank of Scotland and Kellock Trust have agreed in principle on terms whereby the bank will acquire a substantial indirect interest in Kellock Trust's principal subsidiary, Kellock Factors.

Bank of Scotland will pay £1.2m cash for 40 per cent of the share capital of a new subsidiary which will be formed by Kellock Trust to hold the whole of its interest in Kellock Factors.

The bank will make available a facility to the new subsidiary to double the capital base of Kellock Factors, which last year turned in pre-tax profits of £350,000. One object of the deal is to make debt factoring services more readily available to the bank's clients.

A report of the proposed arrangement in yesterday's paper incorrectly referred to the Royal Bank of Scotland Group as the purchaser.

Monotype receives a £3m capital injection

BY ANDREW FISHER

MONOTYPE, the printing machinery group, has received a net £3m capital injection from Barclays Bank and the National Enterprise Board, both of which came to its rescue more than two years ago.

The company now has its sights set on a partnership in the U.S., where sales of its laser beam phototypesetter "Lasercomp" have totalled around £500,000 since being introduced there last year.

Barclays and the NEB now each own just under half of Monotype, which made a large loss last year on sales of £17m, mostly in the form of exports.

The total amount of equity injected was actually £4.5m, but £1.5m of this went to repay past loans. Monotype now has some £6m of equity and £6m of debt. The new capital came through a rights issue.

Before this, the bank and the NEB had made use of their right to convert £3.25m worth of loans into ordinary shares of Monotype, which was founded in 1897.

The two shareholders rescued Monotype after it had been under the control of financier Mr Christopher Selmes. Both took a 37.5 per cent stake and put in up to £3.5m each.

Mr. Roger Day, chief executive of Monotype, said he hoped for a significant increase in U.S. sales of "Lasercomp" from the June conference of the American Newspaper Publishers' Association in Atlantic City.

He declined to say with whom Montoype was talking on a possible partnership. Most of the extra £3m of capital will go in fitting Monotype for more efficient distribution of "Lasercomp," especially in the U.S.

Since last July, Monotype has shed around 350 of its workforce and now employs some 1,150 people, mostly at Redhill in Surrey.

WESTERN SCIENTIFIC AND NEGRETTI

Following its offer for Negretti and Zambra, Western Scientific Instruments has received acceptances in respect of 2.91m new ordinary shares and the same number of deferred—90.19 per cent of each class—886,625 9 per cent cumulative convertible redeemable preference shares (96.5 per cent) and 168,625 3.5 per cent cumulative preference shares (96.36 per cent).

Western Scientific intends to acquire the outstanding shares compulsorily. The offers, which became unconditional on March 31, will remain open until further notice.

Tunnel again rebuffs Ward

Tunnel Holdings yesterday repeated its advice to shareholders to reject the bid from Thos. W. Ward, which has been extended until next Thursday.

The group described Ward's document of this week, arguing in favour of its offer, as containing "nothing new of any consequence."

Tunnel added "It does, however, confirm Tunnel's conviction that there is no synergy between the two companies." Both groups are major cement producers.

Ward already owns just under 30 per cent of Tunnel's voting rights, and acceptances under its bid terms, which value the rest at some £75m, were tiny.

Tunnel noted that over half of Ward's offer was represented by shares. It said no profit forecast had been given for Ward's current financial year, though seven months had passed.

Ward argued in its letter to Tunnel shareholders on Thursday that the latter had a defeatist attitude towards cement and had been contracting in the industry.

Ward also explained its strategy for the south-east cement market, in which it hoped to make extra sales from Tunnel's plant at Pitstone, Buckinghamshire.

"All the relevant factors in Ward's letter had already been taken into account when the board of Tunnel advised rejection," it said yesterday.

CENTREWAY

Centreway Trust has received acceptances in respect of 803,270 shares, or 45.66 per cent of the total, following its offer for Centreway Ltd.

Centreway Trust, which previously held 521,000 shares (29.6 per cent) has acquired no further shares during the offer period.

The offer has now been declared unconditional as to acceptances and is closed.

ASSD. BISCUIT BUYS ROSOR FOR £100.000

Associated Biscuit Manufacturers says that on May 1, 1981, it acquired from Gallaher, Rosor Confectionery for an overall cost of approximately £100,000, plus the value of stocks.

Rosor, maker of chocolate novelties, is based in Pershore, Worcs., and will continue as a separate entity within ABM's confectionery division.

Results due next week

Coats Patons is expected to repeat its 1979 pre-tax profits of around £63.5m when the company unveils its preliminary numbers next Wednesday. This static performance, however, will only have been made possible by a £5m to £10m property profit above the line. UK earnings, meanwhile, will have been under the kind of pressure common to the textile sector. More than three-quarters of group profits will again have to come from abroad, with North America marginally improved and Europe and Australia about the same. The total net dividend should be maintained at 4p.

At the interim stage, the chairman of Costain Group forecast a reversal in the full year of the recent declining trend of turnover and a maintained final dividend of 5p. However, he said pre-tax profits would not be significantly different from the £45.6m earned in 1979 (excluding £2m in property sales). Middle East business is running down and the group is having a harder time in Australia and Canada. Last year's £100m cash mountain has been worn down a bit through acquisitions, but interest income will remain significant. Analysts' estimates range from £40m to £44m.

Trafalgar House is expected to show some growth in profits this year but not in the first half. The interim results, which are to be published on Wednesday, may reveal profits down £1m or £2m from the £19.3m in the comparative period. Although the chairman said at the annual meeting in January that trading was holding up well in the circumstances, the shipping side will have been affected by the trade recession and higher costs while there is no big sale on the property side to match the disposal of the Chiswell Street building last year. Analysts will be looking for some explanation for the purchase this week of a 15 per cent stake in French Kier. The possibility of a rights issue has been raised but Trafalgar's share price is well short of the 1977 peak of 164p. The interim dividend should be maintained at 2.5p.

At the interim stage, European Ferries reported a 44 per cent profit decline to £3.7m, citing a downturn in freight traffic and intense price competition in passenger and commercial markets. However, the Board has forecast a small increase in profits for the year, largely on the strength of the sale of a property in London that was expected to contribute £15m in the second half. The Board also undertook to pay a 3.45p final dividend compared with 3p. Watch for a slight decline in earnings per share mainly as a result of the 25 per cent minority interest on the big property sale.

British Home Stores had a weak first half, in which volume fell away somewhat while operating expenses ran maybe 25 per cent higher than in the previous year. It was still a fairly resilient performance by the standards of most non-food retailing. Since then BHS's food sales have probably held up rather better than its higher-margin non-food lines. The second half will get the benefit of interest savings, following the rights issue, and there are suspicions of an improvement in trading. Pre-tax profits are forecast to reach somewhere near £38m, compared with £41.8m last year.

Analysts are looking for pre-tax profits of £90m or so when Sears Holdings reports its 1980 results on Monday. This estimate assumes that footwear operations will have enjoyed a considerably better six months, while Sears' other retailing interests come reasonably close to the £12.8m earned in the second half a year ago. The William Hill chain of betting shops is considered unlikely to have repeated its first-half bonanza, but should bring in £9m. Engineering seems certain to remain in the red. Sears has been gradually reducing the historic cover for its dividend, and a continuation of that policy suggests an increase to 2.25p

British Sugar is to bring out its interim figures on Tuesday. The interest of the announcement lies in the high probability that it will contain a forecast for the full year, in view of the bid from S. and W. Berisford. British Sugar is unlikely to forecast anything less than £40m before tax.

Other announcements expected next week include preliminary statements from Nurdin and Peacock (Wednesday) and Berec (Friday), interims from Akroyd and Smithers (Monday), Thomas Borthwick (Tuesday) and Serck (Thursday) as well as first-quarter results from Smith and Nephew (Thursday), Woolworth (Wednesday), Commercial Union (Tuesday) and Royal Insurance (Thursday).

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Bank of Ireland	Thursday	7.5	11.5	8.0
Barr and Wallace Arnold Trust	Tuesday	2.25	4.5	1.0
Berec Group	Friday	1.4604†	4.195	1.3
Bishopsgate Trust	Monday	4.2‡	5.7	3.5
British Home Stores	Monday	1.75	2.625	1.75
British Vending Industries	Monday	0.7	0.7	—
Bulmer and Lumb (Holdings)	Wednesday	1.64711	2.17	1.64711
Cater Ryder	Wednesday	4.2875	16.7125	4.2875
City of Oxford Investment Trust	Wednesday	1.75	3.721	1.75
Clifford (Charles) Industries	Tuesday	3.0	4.5	—
Coats Patons	Wednesday	1.5048‖	2.6	1.4
Comfort Hotels International	Thursday	0.18	0.365	0.2
Copydex	Thursday	1.0	2.0	—
Costain Group	Tuesday	4.0	5.0	4.0
Crowther (John) Group	Friday	—	0.78	—
Ellis and Goldstein (Holdings)	Wednesday	1.0	1.3	0.85
Energy Capital	Monday	—	—	—
European Ferries	Monday	1.5	3.0	1.725
Evered and Co. Holdings	Tuesday	0.45	0.25	—
External Investment Trust	Wednesday	3.25	3.75	4.0
Folkes (John) Hefo	Thursday	0.5	1.25	0.5
Gates (Frank G.)	Wednesday	—	2.0	—
Holyrood Rubber	Thursday	14.0	28.0	15.0
Hongkong (Selangor) Rubber	Tuesday	8.0	30.0	12.0
Hoskins and Horton	Wednesday	3.0	5.0	—
Hoveringham Group	Friday	0.6875	2.1	0.6875
King and Shaxson	Tuesday	1.1247§	4.0	1.0
Kuala Selangor Rubber	Thursday	4.0	8.0	4.5
Lee Cooper Group	Thursday	1.05	1.6875	1.05
London Pavilion	Tuesday	—	12.5	—
Modern Engineers of Bristol	Thursday	1.0	2.0	1.0
More O'Ferrall	Tuesday	0.75	4.0	1.1
Neill (James) Holdings	Tuesday	2.2	3.642	1.4
Nineteen Twenty-Eight Investment Tst.	Friday	1.5	2.95a	2.0
Nurdin and Peacock	Wednesday	1.5	2.1	1.875
Oxley Printing Group	Tuesday	1.5	1.6	—
Pickles (William)	Monday	0.2	—	—
Press (William)	Thursday	0.6	0.6	0.6
St. Georges Laundry (Worcester)	Monday	0.56	0.84	0.85
Sears Holdings	Monday	0.7	1.3	0.7
Seccombe Marshall and Campion	Wednesday	6.0	10.0	6.0
Shires Investment	Tuesday	3.0	7.98	3.0
Transatlantic and General Investments	Wednesday	2.8	3.7	3.1
Trust Union (The)	Thursday	1.2	1.5	1.5
Turriff Corporation	Tuesday	—	3.75	—
Tysons (Contractors)	Monday	—	2.1175	—
Usher-Walker	Thursday	1.2827	2.7837	1.29
Wight Holdings	Wednesday	1.85	3.65	—
Young Companies Investment Trust	Monday	2.0	3.8	2.2
INTERIM DIVIDENDS				
Akroyd and Smithers	Monday	3.5	11.5b	
Associated Paper Industries	Tuesday	1.21	0.79	
Baggeridge Brick	Tuesday	1.25	2.5	
Borthwick (Thomas)	Tuesday	—	0.01	
British Sugar Corporation	Tuesday	2.75	12.65	
Cooper (Frederick) Holdings	Tuesday	0.375	1.0	
Davenports Brewery (Holdings)	Thursday	1.1	2.8	
Gleeson (M. J.) Contractors	Friday	0.9	1.68	
Hawkins and Tipson	Tuesday	—	1.0	
Jessups (Holdings)	Wednesday	1.0	1.0	
Murray Clydesdale Investment Trust	Monday	0.5	1.15	
North Midland Construction	Monday	0.65	1.5	
Northern Industrial Improvement Trust	Wednesday	2.0	5.0	
NSS Newsagents	Tuesday	1.2	2.2	
Serck	Thursday	1.2	2.2	
Silverthorne Group	Thursday	0.5	1.0	
Sungei Bahru Rubber Estates	Thursday	0.75	1.5	
Trafalgar House	Wednesday	2.5	2.85	
United Scientific Holdings	Thursday	2.0	3.0	
Unochrome Industries	Thursday	0.25	0.4	
Williams (John) of Cardiff	Thursday	1.1	1.75	
INTERIM FIGURES				
Brentnall Beard (Holdings)	Monday			
Commercial Union Assurance	Tuesdayc			
Crystalate Holdings	Friday			
Majedie Investments	Tuesday			
Philips' Lamps Holding	Wednesdayc			
RCF Holdings	Thursday			
Royal Insurance	Thursdayc			
Smith and Nephew Associated Cos.	Thursdayc			
Woolworth (F. W.)	Wednesdayc			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Includes a compensating dividend of 0.1604p to allow for the change in the tax rate. ‡ Includes non-recurring dividend of 1.4p. ¶ Includes non-recurring dividend of 0.47p. ‖ Includes special payment of 0.1049p. § Includes special payment of 0.1247p. a Includes non-recurring dividend of 0.6p. b Includes a special dividend of 5.0p due to the high level of profits earned in year. c First quarter figures.

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Dealings in Common Brothers were suspended on Wednesday at 310p pending the outcome of discussions which could lead to the company acquiring substantial shipping assets.

Hambro Life Assurance and Allied Hambro are engaged in talks aimed at establishing closer links. This would most likely lead to the former acquiring Allied's share capital.

Tube Investments is to buy King Firth Wheel, a privately-owned U.S. engineering concern, for approximately $54m, while BSR is to purchase the business and operating assets of Capetronic International, a manufacturer of consumer electronic products, for $8m.

The Australian Government vetoed Bowater's £8.5m bid for the outstanding 54 per cent of Escor, the Melbourne-based diversified industrial concern. The Foreign Investment Review Board said it could only approve the bid if it could be satisfied that the benefits to Australia outweighed the loss of local ownership.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated						
Avenue Close¶¶	88§§	85	78	10.71	Peachey Property	—
Bond Street¶¶	44*	43	34††	1.19	Auchinleck	—
Brit. Sugar Cpn.	285*	315	315	171.00	Berisford (S. and W.)	—
Centreway	132§§	110	123	1.63	Centreway Trust	—
Denbyware¶¶	124*§	123	74	3.73	Crown House	—
Hwthrn. Leslie¶¶	147*§	145	107	2.31	Starwest	—
Hield Bros.	10½*	12	10½	1.59	Gamma Beta Inv.	—
Hirst & Mallinson	36	34	30	1.86	Assoc. Brit. Eng.	—
Inveresk	35*	33½	35	7.12	Georgia-Pacific	—
Le Vallonet	45*§	55	43	0.36	Atlantic Res.	—
Lloyds & Scottish	200*§	194	185	144.21	Lloyds Bank	—
London and European	44§§	43	44††	0.52	Bardsey	—
Negretti and Zambra¶¶	25*	24½	30½	0.80	Western Scientific	—
Provincial	52	52	57½	16.95	Hawley Leis.	—
Robrtsn. Foods¶¶	191	181	97	22.25	Avana	—
Ruo Estates	58*§	58	58	0.79	E. Produce and Laurie Plants.	—
St. Piran¶¶	60*§	65††	65††	4.93	Gasco Invs.	—
Savoy "A"	194	193	125	53.71	Trusthouse	—
Savoy "B"	£11½	£11½	775	15.02	Trusthouse	—
Tunnel "B"	409§§	414	320	74.64	Ward (T.W.)	14/5
Warner Hols.	148½	145	64††	7.13	Grand Met.	13/5
Warner Hols. "A"	119	117	55††	4.18	Grand Met.	13/5
Westward TV "C"	24*	23	20	2.31	TV Sth. West	—
Wrighton	77½*	72	70	3.49	Greenbrook	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on 8/5/81. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

Offers for sale, placings and introductions

First Charlotte Assets Trust—Placing 30m ordinary 5p shares at 10p each.

Trans National Trust—Offering up to *47.5m participating redeemable* preference shares of one cent each at $1 per share.

Newcastle and Gateshead Water Company—Is offering £6.5m of 7¾ per cent redeemable preference stock, 1986, at a minimum price of £99 per cent.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Aberdeen Cnstrct.	Dec.	3,590	(3,450)	43.3	(18.3)	6.42	(5.75)
Bardsey	Dec.	142	(191)L	—	(—)	—	(—)
Belgrave (Blckth.)	Jan.	71L	(92)	—	(2.1)	—	(1.5)
Brixton Estate	Dec.	3,070	(2,320)	5.2	(4.2)	3.15	(2.42)
Camrex	Dec.	689L	(171)	—	(3.1)	—	(4.02)
Chesterfield Prop.	Dec.	1,610¶	(1,530)¶	8.2	(7.8)	6.0	(5.0)
Feedex Agricul.	Dec.	30,740	(24,060)	2.9	(4.4)	1.1	(1.54)
French Kier	Dec.	8,610	(6,270)	13.4	(10.2)	3.25	(2.5)
Grovebell Group	Nov.	615L	(209)L	—	(—)	—	(0.5)
Hall (Matthew)	Dec.	9,210	(7,570)	51.5	(22.7)	8.53	(7.11)
Hay (Norman)	Dec.	251	(491)	3.5	(6.7)	3.1	(3.35)
Henderson (P. C.)	Feb.	1,460	(2,780)	17.0	(35.0)	8.0	(8.0)
Holt Lloyd Intl.	Feb.	3,270	(5,030)	5.6	(9.9)	3.17	(3.17)
Hunting Gibson	Dec.	3,750	(2,900)	37.5	(30.7)	6.0	(4.5)
Jackson (G. B.)	Dec.	131	(111)	145.8	(139.3)	—	(—)
Lamont Hldgs.	Dec.	402	(263)	3.3	(2.9)	1.1	(1.0)
Liberty	Jan.	74	(497)	—	(0.1)	1.7	(3.4)
Manor National	*Dec.*	*375L*	*(1,220)*	—	*(6.4)*	—	*(2.5)*
Maxims	Dec.	42	(85)	11.2	(22.7)	6.5	(6.0)
Midland Marts	Jan.	520	(505)	5.4	(7.7)	2.5	(—)
Milletts Leisure	Feb.	840	(1,600)	16.2	(27.7)	6.95	(6.95)
Moss Bros.	Jan.	38L	(428)	—	(7.7)	1.7	(3.3)
Mothercare	Mar.	18,070	(22,280)	13.4	(17.2)	5.0	(5.0)
Pearson Longman	Dec.	15,700	(25,700)	34.0	(36.4)	8.36	(8.36)
Pearson (S.)	Dec.	36,668	(40,358)	36.7	(38.7)	10.0	(10.0)
P & O Steam.	Dec.	47,060	(38,720)	20.9	(17.6)	8.0	(7.0)
Roberts Adlard	Dec.	982	(950)	37.7	(22.7)	8.0	(7.0)
Sainsbury (J.)	Feb.	65,760	(46,030)	29.4	(21.2)	7.25	(5.13)
Sandhurst Mrktg.	Dec.	350	(507)	6.0	(9.7)	1.93	(1.76)
Sheffield Twist	Dec.	84L	(1,640)	—	(6.3)	—	(2.22)
Smith St. Aubyn	Apr.	3,220‡	(1,100)‡	29.8	(10.2)	10.5	(8.0)
Sumner (Francis)	Dec.	97	(359)	0.2	(1.9)	1.55	(0.6)
Telephone Rntls.	Dec.	12,430	(11,270)	20.2	(19.5)	8.25	(7.5)
Tootal	Jan.	7,250	(14,640)	1.3	(5.2)	2.35	(3.14)
Towles	Feb.	280	(758)	11.6	(26.0)	2.1	(3.4)
UDS Group	Jan.	12,050	(24,120)	4.9	(10.4)	6.21	(6.21)
Utd. Engineering	Jan.	3,210	(2,310)	12.5§	(10.1)§	4.3	(3.65)
Walker (J. O.)	Dec.	20	(374)	79.3	(40.5)	3.0	(6.0)
Warnford Invs.	Dec.	2,330	(2,140)	12.2	(11.0)	10.0	(9.0)
Warrington (T.)	Dec.	334	(307)	18.6	(11.9)	4.73	(3.54)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
American Oil Fld.	Mar.	244	(—)¦	—	(—)
Bellway	Jan.	217	(1,840)	3.0	(3.0)
Brown (Matthew)	Mar.	2,010	(1,590)	1.35	(1.25)
Cowie (T.)	Mar.	195L	(625)	0.8	(0.5)
Gallaher	Mar.	24,900†	(28,700)†	—	(—)
General Accident	Mar.	18,500†	(12,000)†	—	(—)
Hepworth (J.)	Feb.	2,720	(3,500)	0.79	(0.79)
Jenks & Cattell	Jan.	455L	(140)	0.5	(1.5)
Lnd. & Provincial	Dec.	248	(234)	0.6	(0.5)
Moss Engineering	Feb.	253	(314)	2.1	(2.1)
Pearce (C. H.)	Nov.	1,290	(905)	4.0	(2.5)
Richards	Mar.	61L	(170)	0.3	(0.3)
Ryl. Bnk. Scotland	Mar.	42,200	(51,800)	2.4	(2.2)
Tricentrol	Mar.	11,190†	(11,650)†	—	(—)
Ultramar	Mar.	42,000†	(31,500)†	—	(—)
Wellco Hldgs.	Dec.	85	(336)	0.4	(0.4)

(Figures in parentheses are for corresponding period.)

* Dividends shown net except where otherwise stated. † First quarter figure. ‡ Profit after tax, rebate and a transfer to contingencies reserve. ¶ Attributable profits. ¦ No comparable figure. § Corrected figure from yesterday's edition. L Loss.

Scrip Issues

Brixton Estate—One or five.

United Engineering—One for five.

Rights Issue

Bestobell—Is raising £6.6m by way of a rights issue on the basis of one for eight at 380p per share.

MINING NEWS

Industrial interests boost Messina

BY GEORGE MILLING-STANLEY

THE SOUTH AFRICAN copper mining and industrial group **Messina (Transvaal)** has turned in sharply higher profits for the six months to March 31, and is to increase the interim dividend.

Net profits came out at R15.72m (£9m), a rise of 80 per cent on the corresponding period of the previous year. The figures are not directly comparable following an accounting change.

Earnings are shown as 141.1 cents a share, up from 79.3 cents, and the dividend is raised to 22.5 cents from 15 cents last time.

The group's extensive industrial interests, headed by the Datsun-Nissan vehicle franchise, led the improvement in results. Messina said that the buoyant trading conditions ruling in the *motor industry in 1980 carried* over into this year, and the group has consolidated its position as a supplier of heavy vehicles with the purchase of Magirus-Deutz South Africa.

At the same time as its results, Messina announced that it has bought a 62 per cent interest in **Bonanza Gold Mine**, a small producer on the East Rand, for R2.3m.

Bonanza was set up in 1977 to mine claims belonging to East Daggafontein, a veteran company *which no longer carries out* underground mining operations. East Dagga has a 23 per cent stake in Bonanza, which will use the former mine's No. 1 shaft to gain access to the areas over which it has mining rights.

The remaining 15 per cent of Bonanza is held by **Southern Prospecting**. Messina will manage the operation.

Messina has also recently spent R1.6m to acquire coal rights amounting to about 63m tonnes of bituminous coal, and a further R1m for a 72 per cent stake in an operating diamond mine near Barkly West, in Cape Province.

The group expects to spend about R18m on developing these mining acquisitions over the next two or three years.

Beralt raises its earnings

HIGHER PRODUCTION and sales of wolfram (tungsten) and a slight increase in average prices combined to boost net profits of **Beralt Tin and Wolfram** by 17 per cent to £2.14m in 1980.

Output of concentrate at the Panasqueira mine in Portugal reached 2,145 tonnes, while the Borralha mine produced 316 tonnes, to give a total of 2,461 tonnes against 2,133 tonnes in 1979.

On July 25 last year, Beralt paid a dividend of 5p a share in respect of 1979's profits, compared with 4.5p the previous year.

The Portuguese operating *company* Beralt Tin and Wolfram Portugal has declared a dividend of Escudos 200m from last year's earnings, against Escudos 144m a year earlier.

At current exchange rates, this would represent about £1.6m, of which the UK company's share would be $0.55 per cent, but the sum eventually received in this country will depend on the exchange rate ruling at that time.

BODDINGTONS BREWERY—Speaking at the AGM Mr. Ewart Boddington, chairman said that despite the recession, the group had continued to push ahead. In the first four months

Mr. Ewart Boddington: sales pushing ahead

of this year there had been a rise in volume sales of just under 2 per cent, and signs pointed to another satisfactory year.

BARROW HEPBURN GROUP (hide and leather processor)—Results for 1980 reported April 16. Shareholders' funds £10.73m (£11.29m): net current assets £5.17m (£4.27m) including bank borrowings £1.01m (£746,000) and cash £1.36m (£281,000): net increase in working capital £976,000 (£3.46m). At April 7, Caparo Group held 29.89 per cent of issued share capital having voting rights. Meeting, Connaught Rooms, WC, June 2, 11.30 am.

R. H. COLE (chemicals, plastics and electronics)—Results for 1980 reported May 2. Current cost loss £124,000 before tax, against historical $292,000 loss. Shareholders' funds £4.31m (£4.42m). Group fixed assets £4.73m (£5.27m). Net current assets £2.78m (£3.02m). Working capital at the year end £1.16m decrease (£114,000 increase). Provisional results for the first quarter of 1981 show an improvement over the last quarter of 1980. Monsanto holds 21.3 per cent of the company and *Norwich Union Life Assurance* Society 5 per cent. Meeting, 852, Brighton Road, Purley, Surrey, on June 8 at noon.

LANCA (handbag manufacturer)—Turnover for 1980 £1.87m (£1.99m), pre-tax profit £139,409 (£189,245) after extraordinary debit of £3,776 (nil). Tax £41,814 (£32,000), earnings per *share* 9.12p (14.29p), dividend 2.4p net (same).

DUALVEST—Final for year to March 31, 1981, 3.288p making 6.972p (6.141p plus special 0.7249p) total. Revenue £627,480 (£617,931) after tax of £365,790 (£332,500). Net asset value per capital share 575½p (401½p).

DRAYTON CONSOLIDATED TRUST—Interim 2p (same). Gross income half year to March 31, 1981 £2.31m (£2.41m). Net revenue £1.19m (£1.18m) after tax £808,600 (£731,000). Net asset value 242p (228½ at September 30, 1980).

LONDON AND CONTINENTAL ADVERTISING HOLDINGS—Results for 1980 reported April 14. Shareholders' funds £1.58m (£1.48m), fixed assets £291,556 (£220,581), bank loan nil (£59,836), overdraft £88,410 (£43,814), cash £25,449 (£23,301), short term deposit £775,982 (£793,567). Meeting, Great Western Hotel, W2, June 4 at *10 am*.

SILKOLENE LUBRICANTS (aero, motor and industrial lubricant refiner, blender and distributor). Results for 1980 reported April 4. Mr R. G. Dalton told AGM trade is showing encouraging signs: order levels improving and feed stock prices stabilised. Investment in special products plant beginning to show return as the plant comes on stream. He has every confidence in future success of the company.

THORN EMI—At April 30, of U.S.$25m 7 per cent convertible guaranteed bonds 1986 issued by the wholly-owned subsidiary Thorn International Finance, bonds with a nominal value of $24.46m had been converted into ordinary shares. The *value of outstanding bonds is now* $543,000.

TRAVIS AND ARNOLD (builders' and plumbers' merchant and timber importer)—Results for year to end-December, 1980, reported on April 24, 1981. Shareholders' funds £34.9m (£25.1m), current liabilities £13.1m (£21.3m) including bank overdrafts £323,000 (£7.4m). Mr. E. R. Travis is resigning as chairman in June, and he will be succeeded by Mr. E. R. A. Travis. Meeting, Northampton, June 5 at noon.

MINET HOLDINGS (Lloyd's and general insurance broker)—Results for 1980 and prospects reported April 16. Shareholders' funds £38.57m (£33.62m). Fixed assets £26.17m (£22.37m). Net *current assets £9.32m (£10.95m). Long-*term liabilities £3.72m (£4.08m). Current cost pre-tax profit £8.31m against historical £6.68m. Corroon and Black Corporation is beneficial owner of 20 per cent of share capital. Meeting, Abercorn Rooms, EC, May 29, noon.

HENRY BOOT (construction, engineering and property group)—Results for 1980 *reported May 2. Current assets* £22.6m (£20.35m) including stocks and work in progress £14.64m (£12.04m) and bank and cash balances £225,000 (£239,000), current liabilities £17.16m (£16.42m), shareholders' funds £16.06m (£13.36m), bank overdrafts £2.3m (£914,000). Meeting Sheffield, May 29, noon.

CATALIN (industrial resin manufacturer)—Results for 1980 already known. Shareholders' funds £2.32m (£2.55m), fixed assets £1.64m (£1.8m), bank loan and overdrafts £589,479 (£273,772), net current assets £1.12m (£1.56m). The historical pre-tax loss of 575,761 (profit £424,793) is increased to £764,876 on a CCA basis. Meeting, Waltham Abbey, Essex, May 29, at noon.

HIGHCROFT INVESTMENT TRUST (financial trust)—Results for 1980. Attributable profit £114,917 (£78,986) after tax of £73,202 (£65,020). Final dividend 1.5p (1.25p), making 2.5p net (2.25p). Stated earnings per 25p share 4.2p (2.87p).

YORKLYDE (cloth and rug maker)—Turnover for year to January 31, 1981, £3.45m (£3.84m), pre-tax profits £949,342 (£1.21m). Tax £64,872 (£591,932), earnings per 20p share 75.6p (52.3p). Final dividend 10.5p (13.5p) making 15p (same) net.

Company news in brief

GILL AND DUFFUS GROUP (international commodity brokers)—Results for 1980 reported on April 9. Shareholders' funds £83.11m (£69.12m): fixed assets £11.59m (£11.61m): net current assets £68.32m (£64.66m). Meeting, Baltic Exchange, EC3 on June 2 at noon.

CONDER INTERNATIONAL—Chairmen states that results for the first quarter were on a par with the average for the past year. Exports improved but international competition remains in*tense. Business will continue to be* scarce and prices depressed until trading conditions improve.

LLOYDS BANK—Board states that 265 applications have been received from loan stockholders relating to the conversion of £5,271,419 of 7½ per cent convertible subordinated unsecured loan stock, in respect of which 1,519,578 shares have been allotted in accordance with the trust deed.

DANISH BACON COMPANY—Results for year to January 3, 1981, and prospects, reported April 23. Shareholders' funds £14.24m (£14.97m): fixed assets £7.55m (£7.29m): net current assets £6.69m (£7.68m). Bank borrowings decreased £0.94m (£2.39m increase). Meeting Hyde Park Hotel, SW, May 27, *11 am*.

ELBAR INDUSTRIAL (motor vehicle and agricultural machinery distribution)—Results for 1980, reported April 24, with announcement of rights issue. Fixed assets £7.91m (£5.13m): net current assets £8.12m (£10.7m): loans £5.25m (£3.27m). Chairman forecasts marked improvement in 1981 results. Tanks Investments (UK), a wholly-owned subsidiary of Tanks Consolidated Industries, owns 72.05 per cent of equity. Meeting, Winchester House, EC, May 27, 10.30 am.

BRISTOL STADIUM—Results for 1980 already known. Shareholders' funds £470,098 (£435,215). Net current assets £156,956 (£105,614): cash and short-term loans £136,210 (£85,748). Fixed assets £403,073 (£406,675). Meeting, 11, Mansfield Street, W, May 26, 12.30 pm.

GENERAL AND COMMERCIAL INVESTMENT TRUST—Results for year to February 28, 1981, reported April 10. Shareholders' funds £13.06m (£11.49m). Investments £12.93m (£12.14m): current assets £1.14m (£0.38m): current liabilities £0.55m (£0.37m). Meeting, 1 Brewer's Green, SW, May 28, 11.45 am.

AIR CALL (telephone answering and medical deputising services)—Results for 1980, reported April 16. Shareholders' funds £2.85m (£1.06m), fixed assets £4.37m (£2.9m), net current liabilities £1.63m (£1.24m). CCA pre-tax profit £558,000 against £927,000 historic. Meeting, 176-184 Vauxhall Bridge Road, *SW, May 26, at 11 am.*

GENERAL INVESTORS AND TRUSTEES—Results for year ended January 31, 1981, reported April 10. Investments £33.63m (£29.37m): net current assets £2.52m (£0.7m). Shareholders' funds £30.76m (£23.66m). Liquidity increased £1.84m (£87,278). Chairman says that in current year the company cannot *look for the size of income increase* seen in last few years. Meeting, 1 Laurence Pountney Hill, EC, May 28, noon.

RELYON PBWS (bedding manufacturer)—Results for 1980, reported March 17. Shareholders' funds £4.31m (£3.5m). Net current assets £2.92m (£2.62m). Fixed assets £2.5m (£2.32m). *Liquidity increased £1m (£51,663).* Chairman says trading in 1981 has continued in same vein as the previous six months, with demand remaining satisfactory. Meeting, Wellington, May 22, noon.

FUNDINVEST (investment trust)—For half year to March 31, 1981 gross income £381,135 (£384,586), net income £223,323 (£229,213) after tax £107,103 (£114,335). Interim dividend per 25p income share 1.734p (1.787p) net asset value per capital share 161½p (144½p at September 30).

NORTH WEST SECURITIES—Results for 1980 already known. Investments £8.37m (£6.81m): shareholders' funds £60.1m (£45.56m): customers and other accounts £256.38m (£211.03m): assets leased to customers £743.53m (£107.91m). Chairman says volumes of new business are lower than in the comparative period for the previous year and there is no immediate sign of an upturn.

WILSON (CONNOLLY) HOLDINGS (builder and contractor)—Results for 1980 reported April 23. Fixed assets £13.3m (£6.95m), including over £6.1m from revaluation of properties: current assets £30.78m (£26.49m): current liabilities £8.2m (£9.43m), including bank overdraft £208,000 (nil). Shareholders' funds £32.32m (£14.25m). Meeting: Northampton, May 22, noon.

NEW THROGMORTON TRUST—Net asset value per £1 of capital loan stock is 321.70p.

AMBROSE INVESTMENT TRUST—Gross income for year to end March 1981: £857,582 (£822,157). Net profit £554,006 (£535,315) after deductions including tax of £241,826 (£235,371). Final dividend is 4.3p (4.1p), making *a net total of 7.1p (6.7p).*

LEYLAND PAINT AND WALLPAPER—Results for 1980 reported on March 27, 1981. Fixed assets £6.82m (£6.98m): net current assets £4.17m (£4.26m): shareholders' funds £9.56m (£9.29m). Creditors £5.52m (£7.4m): short-term borrowings £2.55m (£1.15m). Chairman says that while destocking seems *at last to be virtually over, customers'* stock holdings remain on the low side. Export market continues to be severely affected by the strong exchange rate and competition in Europe. Meeting, Northgate, Leyland, May 28, 2.30 pm.

LONDON UNITED INVESTMENTS (insurance concern)—Results for year to end-December, 1980, already known. Investments £4.4m (£4.07m): shareholders' funds £11.75m (£10.37m). Meeting, Glaziers Hall, Montague Close, SE, May 26, at noon.

WILLIAM BAIRD AND COMPANY (textiles and industrial group)—Results for 1980 and prospects reported April 23. Fixed assets £16.82m (£15.99m): current assets £67.8m (£59.3m), including cash and bank balances £2.26m (£634,000): net assets £48.06m (£45.04m), including bank overdrafts £3.83m (£5.84m). Shareholders' funds £45.1m (£37.21m). Mr S. A. Field is retiring as chairman at the conclusion of the AGM and will be elected president. His successor will be Mr. Donald Parr. Meeting: Glasgow, May 28, noon.

BLUE CIRCLE INDUSTRIES (cement manufacturer)—Results for 1980 reported April 30. Shareholders' funds £744m (£635.3m), net current assets £131.4m (£111.6m), bank balances

Sir Rowland Wright, chairman of Blue Circle

£16.4m (£12.7m), loans and overdrafts £24m (£17.8m), increase in net liquid funds £51.7m (£17.8m decrease). Meeting, Inn on the Park, W1, June 3 at noon.

FEB INTERNATIONAL (manufacturer of chemicals and distributor of building materials)—Results for 1980 reported April 10. Shareholders' funds £2.69m (£2.11m). Net current assets £987,000 (£792,000). Property, plant and equipment £2.36m (£2.13m). Net liquid funds increased £36,000 (£691,000 decrease). Meeting, Swinton, May 28, 10.30 am.

BASE LENDING RATES

A.B.N. Bank	12 %
Allied Irish Bk.	12 %
American Express Bk.	12 %
Amro Bank	12 %
Henry Ansbacher	12 %
AP Bank Ltd.	12 %
■ Arbuthnot Latham	12 %
Associates Cap. Corp.	12 %
Banco de Bilbao	12 %
BCCI	12 %
Bank of Cyprus	12 %
Bank of N.S.W.	12 %
Banque Belge Ltd.	12 %
Banque du Rhone et de la Tamise S.A.	12½%
Barclays Bank	12 %
Beneficial Trust Ltd.	13 %
Bremar Holdings Ltd.	13 %
Bristol & West Invests.	13 %
Brit. Bank of Mid. East	12 %
■ *Brown* Shipley	12½%
Canada Perm't Trust	13 %
Cayzer Ltd.	12 %
Cedar Holdings	12 %
■ Charterhouse Japhet	12 %
Choulartons	12 %
C. E. Coates	12 %
Consolidated Credits	12 %
Co-operative Bank	*12 %
Corinthian Secs.	12 %
The Cyprus Popular Bk.	12 %
Duncan Lawrie	12 %
Eagil Trust	12 %
E. T. Trust Limited	12 %
First Nat. Fin. Corp.	14½%
First Nat. Secs. Ltd.	14½%
Robert Fraser	12 %
Antony Gibbs	12 %
Greyhound Guaranty	12 %
Grindlays Bank	‡12 %
■ Guinness Mahon	12 %
■ Hambros Bank	12 %
Heritable & Gen. Trust	12 %
■ Hill Samuel	§12 %
C. Hoare & Co.	†12 %
Hongkong & Shanghai	12 %
Keyser Ullmann	12 %
Knowsley & Co. Ltd.	14 %
Langris Trust Ltd.	12 %
Lloyds Bank	12 %
Mallinhall Limited	12 %
Edward Manson & Co.	13 %
Midland Bank	12 %
■ Samuel Montagu	12 %
■ Morgan Grenfell	12 %
National Westminster	12 %
Norwich General Trust	12 %
P S Refson & Co.	12 %
Ryl. Bk. Canada (Ldn.)	12 %
Slavenburg's Bank	12 %
E. S. Schwab	13 %
Standard Chartered	§12 %
Trade Dev. Bank	12 %
Trustee Savings Bank	12 %
TCB Ltd.	12 %
United Bank of Kuwait	12 %
Whiteaway Laidlaw	12½%
Williams & Glyn's	12 %
Wintrust Secs. Ltd.	12 %
Yorkshire Bank	12 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 9%, 1-month 9¼%. Short term £4,000/12 months 11.35%.
† 7-day deposits on sums of £10,000 and under 9%, up to £50,000 9¼%, and over £50,000 10½%.
‡ Call deposits £1,000 and over 9%.
§ Demand deposits 3½%.
21-day deposits over £1,000 10½%.

SPAIN

:¾6 at.¾S ETAOIN HRDLU LaLU UaaU

May 8	Price %	+ or —
Banco Bilbao	309	—3
Banco Central	258	+3
Banco Exterior	282	
Banco Hispano	295	+5
Banco Ind. Cat.	124	
Banco Santander	335	
Banco Urquijo	186	
Banco Vizcaya	327	+3
Banco Zaragoza	216	
Dragados	150	
Espanola Zinc	75	
Fecsa	66	+1
Gal. Preciados	38	+2
Hidrola	70	+2.3
Iberduero	58.5	+2.3
Petroleos	107.5	+1.5
Petroliber	97	
Sogefisa	81	
Telefonica	62	+0.3
Union Elect.	70.2	+1.2

CORAL INDEX
Close 568-573 (+4)

releasing 440 acres of land in ... the ownership of Liverpool City ... which may or may not fulfil their promise. ... Lime Street, Liverpool L1 1LE ... Concourse House

Wall St loses early firmness

EARLY FIRMNESS failed to hold on Wall Street yesterday, and stocks eased as investors continued to be concerned about the outlook for interest rates.

After opening 2.70 up at 981.09, the Dow Jones Industrial Average was off 1.62 at 976.77 by 1 pm, making a loss of 18.82 on the week. The NYSE All Common Index, at $76.13, was up 5 cents on the day but off 62 cents on the week. Volume 33.87m shares.

Analysts said early Stock Market gains were eroded as the Credit Markets slipped from their highs after the Federal Reserve acted to drain reserves from the Banking system.

The Stock Market benefited this morning from news that Wholesale Prices were up 0.8 per cent in April, compared with March's 1.3 per cent rise. However, analysts noted that the reported unemployment was unchanged from the previous month's 7.8 per cent rate provided fresh evidence of the strength in the economy, which could maintain the upward pressure on interest rates.

Approval by the House late Thursday of President Reagan's $688.8bn Spending Plan for fiscal 1982 also boosted the market earlier.

Among the active issues, volume leader General Dynamics lost $1 to $32½.

Public Service Electric and Gas tacked on $⅛ at $17⅛, while Gulf Oil gained $¼ to $34¼, Flexi-Van added $⅜ at $22 and Conoco were up $⅝ to $56⅞.

THE American SE Market Value Index rose 1.92 to 361.91, making a rise of 5.67 on the week. Volume 2.5m shares.

Canada

Markets extended Thursday's rise, moving sharply higher in active trading yesterday, when the Toronto Composite Index rose 12.6 to 2,292.5.

The Oil and Gas Index moved up 69.3 to 4,679.2, Metals and Minerals 7.2 to 2,265.2, Golds 41.4 to 4,309.4, Banks 1.50 to 380.73, Utilities 1.0 to 256.27 and Papers 0.34 to 275.09.

Among Golds, Dome Mines put on $1⅝ to $107½ and Campbell Red Lake $1⅜ to $65⅜—each reported higher first quarter earnings and their stockholders approved stock splits.

Calgary Power "A" advanced $1⅛ to $20¼ on Nu-West's, off $¼ to $15⅜, offer plan valued at $23.50 a share for up to 22m shares.

Seagram improved $⅜ to $63½—a subsidiary and its partner reported five oil discoveries in Alberta.

Closing prices for North America were not available for this edition.

Hong Kong

Stocks hit an uptrend on increased turnover that many brokers say could be the start of a major rally. The Hang Seng Index put on 17.62 to 1431.11 on combined turnover for the four exchanges of $HK 310.77m, against Thursday's $HK 245.82m.

The improvement still left the indicator lower on the week, but brokers said they see early signs of a resurgent market.

One analyst said the market was shrugging off higher U.S. interest rates excellently, which, he said, gave promise of a return of speculative interest, long absent from stock dealings here. He added that as a rally built, foreign buyers would also be drawn into the market.

The market was buoyed by a growing feeling that the Hong Kong Association of Banks wouldn't raise local interest rates this week, despite firm Interbank rates. Also, the Government announced it was easing rent controls on residential apartments, giving a sharp boost to Property interests.

Australia

Banks were back in the centre of activity but demand failed to keep the All Ordinaries Index from dropping below the 700 mark for the first time since March 20.

Bank NSW rose 15 cents to $A3.55 after reporting a 33.3 per cent lift in interim profit to $A51.9m, while National put on 12 cents to $A3.62 in the wake of its 39 per cent rise in half-year profits to $A49.9m.

ANZ were up 8 cents to $A4.80 on its recent profit rise to $A88.05m.

Continuing takeover speculation lifted CBA 15 cents to $A4.60 and CBC 5 cents to $A4.60.

The rises in the Banking sector helped the Industrial Index post a 2.1 rise to 751.4, while the All Ordinaries Index eased 3.1 to 699.2.

Paris

Prices firmed in fairly active trading with a majority of traders expecting Valery Giscard d'Estaing to win Sunday's Presidential election.

But the rise was not evenly spread among the sectors, as Oils eased and Metals, Chemicals and Engineerings were mixed.

Banks, several of which face nationalisation if Socialist Francois Mitterrand wins the election, were steady to firm. Credit Industriel et Commercial added FFr 2.7 at 156.9.

Electricals, Foods and Stores led the firmer sectors, with Generale Occidentale rising FFr 7.5 at 390 and Cit Alcatel FFr 25 at 1,010.

Alsthom Atlantique eased FFr 0.4 to 128 despite higher parent company net turnover for the first quarter.

Foreign stocks were higher, led by Oils, Germans and Gold Mines.

Tokyo

Share prices rallied on widespread bargain hunting, after the consecutive fall in the past four sessions, with many investors encouraged by the overnight recovery on Wall Street. The Market Average gained 54.73 to 7,495.25, but trading was slow at 320m shares as investors tended to stay on the sidelines to watch developments on the Foreign Exchange Markets.

"High - priced" Electricals, Precisions, Motors, Heavy Electric Machines and other Blue Chips led the advance, but Steels and Shipbuildings continued to fall.

Singapore

After jittery trading in the morning, buyers came back in force to send share prices higher. The Straits Times Industrial Index closed at a record 906.04, up over 10 points from Thursday's 896.00, marking the fourth consecutive record-breaking performance.

Germany

Share prices continued to rise amid lively trading, with Brokers noting a sharp rise in purchases made by Foreign and Domestic professional investors.

In addition to a shortage of sellers, Brokers said stable Bond Market prices also contributed to the upswing on Stock Markets.

Motors and Construction sectors led the upward movement.

Amsterdam

Share prices were mixed to lower, but in mainly higher Dutch Internationals, Royal Dutch gained Fl 1.40 to 94.1.

Banks were also mainly higher, after an easier opening, with ABN up Fl 2.50 to 284.5. In lower Insurances, HBG fell Fl 6.70 ex its Fl 6 cash plus 3½ per cent stock dividend.

In inactives, Caland, expecting unchanged to slightly higher profits, lost Fl 1.50 to 33.

State Loans tended easier.

Turnover on the European Options Exchange was 3,404 contracts, comprising 2,763 Calls and 641 Puts.

Gold Options turnover rose to 316 contracts from 110, while Philips was the most active of the share options with 1,388 contracts.

Johannesburg

Gold shares firmed as the bullion price rose in Europe, but overall trading remained thin.

Indices

NEW YORK —DOW JONES

	May 7	May 6	May 5	May 4	May 1	Apr. 30	1981 High	1981 Low	Since Cmpil't'n High	Since Cmpil't'n Low
◆Industr'ls	976.69	978.54	972.44	979.11	995.59	997.75	1024.05 (27/4)	951.57 (13/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	58.37	58.44	58.60	59.00	59.58	60.25	66.78 (15/1)	58.50 (6/5)	—	—
Transport.	416.77	413.15	411.92	417.07	425.86	426.55	447.38 (16/4)	379.18 (28/2)	447.38 (16/4/81)	12.23 (8/7/32)
Utilities	105.45	104.83	103.99	104.32	106.52	106.45	117.81 (6/1)	103.88 (6/5)	163.32 (20/4/69)	10.5 (28/4/42)
Trading Vo 000'†	42,590	47,100	48,000	40,450	48,380	47,970	—	—	—	—

◆Day's high 981.99 low 969.29

Ind. div. yield %	May 4	Apr. 20	Apr. 10	Year ago (approx
	5.57	5.51	5.54	6.50

STANDARD AND POORS

	May 7	May 6	May 5	May 4	May 1	Apr. 30	1981 High	1981 Low	Since Cmpil't'n High	Since Cmpil't'n Low
‡Indust'ls	148.47	148.44	147.66	149.11	150.46	150.51	157.02 (6/1)	143.73 (2/2)	160.96 (28/11/80)	3.52 (30/6/32)
Composite	131.67	130.78	130.32	130.67	132.72	132.81	138.12 (6/1)	125.58 (20/2)	140.52 (28/11/80)	4.40 (1/6/32)

	May 7	Apr. 30	April 15	Year ago (approx
Ind. div. yield %	4.69	4.61	4.56	5.56
Ind. P/E Ratio	10.83	9.37	10.69	7.40
Long Gov. Bond Yield	13.61	13.36	13.07	9.91

N.Y.S.E. ALL COMMON

May 7	May 6	May 5	May 4	1981 High	1981 Low
76.08	75.60	75.30	75.52	79.14 (6/1)	72.45 (20/2)

Rises and Falls	May 7	May 6	May 5
Issues Traded	1,915	1,908	1,931
Rises	902	818	468
Falls	608	660	1,099
Unchanged	405	430	364
New Highs	14	18	5
New Lows	29	26	46

MONTREAL

	May 7	May 6	May 5	May 4	1981 High	1981 Low
Industrials	330.25	381.82	377.83	377.95	389.55 (10/4)	358.26 (20/2)
Combined	380.79	355.99	353.16	354.22	376.86 (2/4)	352.34 (20/2)
TORONTO Composite	2278.90	2257.60	2246.76	2266.59	2376.8 (10/4)	2151.4 (20/2)

	May 8	May 7	May 6	May 5	1981 High	1981 Low
AUSTRALIA All Ord. (1/1/80)	898.2	702.4	706.8	706.4	757.5 (6/4)	641.1 (17/2)
Metal & Minrls. (1/1/80)	604.4	608.4	618.5	618.4	755.2 (7/1)	554.9 (5/5)
AUSTRIA Credit Aktien (2/1/62)	61.57	61.58	61.66	61.67	66.43 (5/1)	61.49 (4/5)
BELGIUM Belgian SE (31/12/63)	79.85	79.75	80.61	80.82	88.15 (17/2)	79.75 (7/5)
DENMARK Copenhagen SE (1/1/73)	111.22	111.61	111.82	111.49	111.82 (6/5)	95.66 (2/1)
FRANCE CAC General (29/12/61)	109.6	109.4	(u)	109.1	112.5 (17/3)	105.1 (29/1)
Ind Tendance (31/12/80)	105.2	104.7	103.6	104.2	106.8 (13/3)	95.4 (27/1)
GERMANY FAZ-Aktien (31/12/58)	231.5	229.58	228.5	227.97	254.8 (24/4)	215.88 (9/2)
Commerzbank(Dec.1953)	715.1	710.1	706.7	704.5	727.7 (27/4)	688.4 (16/2)
HOLLAND ANP-CBS General (1970)	91.6	91.5	92.4	92.7	95.5 (1/5)	85.7 (2/1)
ANP-CBS Indust. (1970)	70.6	71.0	71.8	72.8	72.8 (28/4)	62.8 (2/1)
HONG KONG Hang Seng Bank (31/7/64)	1451.11	1415.49	1429.54	1415.47	1658.82 (4/2)	1295.44 (11/5)
ITALY Banca Comm. Ital (1972)	269.3	268.37	264.80	267.20	271.87 (30/4)	176.39 (8/1)
JAPAN Dow Average (16/5/49)	7495.25	7440.52	7485.60	(c)	7674.19 (30/4)	6956.52 (15/5)
Tokyo New SE (4/1/68)	552.50	549.11	552.17	(c)	560.98 (30/4)	495.79 (5/1)
NORWAY Oslo SE (1/1/72)	123.88	124.66	125.60	126.60	127.57 (4/5)	118.22 (16/2)
SINGAPORE Straits Times (1966)	908.8	896.09	892.59	884.94	908.8 (8/5)	859.52 (2/1)
SOUTH AFRICA Gold (1958)	—	828.2	855.0	—	787.8 (7/1)	561.5 (5/8)
Industrial (1958)	—	654.8	655.8	—	665.5 (1/5)	587.2 (5/2
SPAIN Madrid SE (30/12/80)	117.47	116.49	115.80	115.80	117.47 (8/5)	100.46 (2/1)
SWEDEN Jacobson & P. (1/1/58)	490.55	485.36	476.65	471.54	495.61 (25/5)	404.17 (29/1)
SWITZERLAND Swiss BankCpn.(31/12/58)	294.6	295.5	295.8	295.6	304.2 (2/4)	287.9 (16 2)
WORLD Capital Intl. (1/1/70)	—	156.0	155.9	155.6	162.5 (6/1)	148.8 (17/2)

Base values of all indices are 100 except Australia All Ordinary and Metals—500; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 industrials. § 400 industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u unavailable.

NEW YORK ACTIVE STOCKS

Wednesday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Conoco	1,186,200	56⅞	− ⅜	ATT	481,200	54⅞	+ ⅛
Mid-So. Util.	538,400	11¼	+ ⅛	Texaco	441,100	37	+ ⅝
Exxon	567,600	69⅞	+ ⅛	IBM xd	439,900	57¼	− ⅝
Storage Tech.	554,700	31¼	+1½	Singer	436,300	20½	+1½
Comw. Ed.	511,800	19⅞	+ ¼	Stan. Oil (Ind)	409,800	59¾	+1⅛

INTERNATIONAL COMPANIES and FINANCE

National Bank bids for Australian competitor

BY OUR SYDNEY CORRESPONDENT

THE National Bank of Australasia yesterday jumped ahead of its competitors in the Australian banking industry by formally announcing an A$591m (U.S.$450m) bid for the Commercial Banking Company of Sydney, one of its fellow trading banks.

This is the largest takeover offer ever made in the Australian banking industry — and ranks as the second largest in the nation's corporate history, behind the A$450m bid by CSR, the diversified industrial group, for Thiess Holdings in 1979.

This is the first step in the expected major restructuring of the Australian banking industry signalled last week when the Commercial Bank of Australia announced that it was having discussions with another group which could lead to a takeover offer. The Australia and New Zealand Banking Group announced on Monday that it was studying the possibility of making an offer for CBA.

The Bank of New South Wales, one of the two front runners in the Australian private sector banking industry, along with the ANZ, also announced this week that it was re-examining its position.

An important factor in the National Bank's decision to acquire the CBC is the greater geographic spread it will give the bank. The National is at present based, and operates primarily in, Victoria, while the CBC has its head office and the vast majority of its outlets in New South Wales.

Sir Robert Law-Smith, the chairman of National, delivered a simple proposition to Sir Robert Crichton-Brown, the CBC chairman—of two National Bank shares for each CBC share and convertible note.

But with National shares closing the week at A$3.62 each on the stock market, the deal on paper offers CBA shareholders A$7.24 for each of their shares, compared with a market value on Friday of A$4.54.

CBC had no formal reply.

If the deal goes ahead the National-CBC grouping would slot between the existing Wales and ANZ banks on most measures of size. It would have a 19.9 per cent country-wide share of trading bank deposits compared with the Wales 21.4 per cent and the ANZ's 18 per cent.

In the savings bank field, the merged group would have a 10.9 per cent share compared with the Wales's 13.5 per cent and the ANZ's 10.2 per cent.

If the ANZ-CBA takeover goes ahead, the National Bank-CBC group would split into third place behind the ANZ and the Wales but would not be widely out of touch.

Renault truck group returns to black

By Terry Dodsworth in Paris

FRANCE'S sole national truck manufacturer, Renault Vehicules Industriels (RVI), returned to profits in 1980 after running up losses of FFr 741.8m ($142.7m) in the previous three years.

The group's profits are still only wafer thin, at FFr 18.25m ($3.5m) compared with FFr 125m in 1976, its last positive year. But they represent a big turnaround against the deficit of FFr 270m in 1979, indicating that the policy of rationalisation and the virtually complete overhaul of models in the past few years are beginning to stabilise the company's finances.

Turnover also rose sharply in 1979, going up by almost 20 per cent from FFr 9.2bn to FFr 11bn.

RVI, which is owned by the nationalised Renault group, and has just taken a 50 per cent stake in the Dodge commercial vehicle business, expanded its production by about 18 per cent last year from 46,500 vehicles to 50,400.

The group improved its position in the French domestic market, where it has lost ground heavily in recent years, pushing up its market share from 41 per cent to 42.5 per cent. It also increased its exports substantially, with sales overseas going up from 18,500 units to 23,000. Some 2,000 of these trucks went to Mack, its new partner in the U.S.

Because of the dip in the European heavy truck market this year, RVI is expecting to maintain its production at about the same level as in 1980. In the first three months of the year, it strengthened its position in the French market, capturing 44 per cent of total sales.

The group said yesterday that it hopes to sell almost 4,000 units via Mack in the U.S.

Beiersdorf pays more

GERMAN cosmetics and pharmaceuticals group Beiersdorf, proposes a 1980 dividend of DM 7 marks per share, up form DM 6.50 in 1979. It also plans a DM 100m convertible bonds issue.

Beiersdorf, with worldwide sales of over DM 1.6bn ($715m) says the financing exercise is aimed at strengthening the earnings situation by enabling it to fully utilize its domestic and foreign growth opportunities.

BRITISH, GERMAN AND FRENCH PARTNERS

JVC to divide up video production

BY CHARLES SMITH IN TOKYO AND KEVIN DONE IN FRANKFURT

JAPAN Victor Company said yesterday that discussions with Thorn-EMI, Thomson-Brandt, and AEG-Telefunken on the possibility of manufacturing video equipment in Europe were "well advanced" and should be completed sometime in July.

It added that each partner would hold an equal 25 per cent stake in the venture and that production would be distributed on product-by-product basis between the three countries. Video tape recorders will be made at the Berlin plant of AEG-Telefunken beginning by mid-1982 with an initial production volume of 1,000 machines per day, while video cameras will be produced in France, and video disc players in Britain.

Victor will ship "essential" components such as video heads and cylinders for tape recorders to be made in Berlin but is "confident" that enough other components can be locally manufactured for the product to receive a European certificate of origin.

AEG said the cooperation would allow automated manufacturing plants to make video equipment in large enough numbers to make the production internationally competitive. The deal is still to be cleared by the West German cartel authorities.

The attraction for AEG of siting the production in Berlin is that it will bring a new product to its hi-fi works in the city, where production is being run down because of mounting losses. The plant currently employs around 1,200 people, and this number could still be reduced to as little as 500, when initial video recorder assembly begins.

In the initial phase most parts for the recorder would be imported from Japan. Gradually the electronic components would come from local manufacturer but mechanical parts would still be imported from the Far East. Investment in the Berlin plant will total DM 30m-DM 40m ($17.5m).

Victor claims that its European joint venture was the first project of its kind ever undertaken by a Japanese company in the West. The U.S. market is at present being supplied under a series of own-brand arrangements including one between Matsushita (Victor's partner in the production and marketing of the VHS system) and RCA of the U.S.

A manufacturing joint venture for the VHS system in North America is a possibility for the future, according to Victor.

Victor's VHS system holds the largest share in the fast growing world market for video tape recorders followed by Sony's Betamax system and by the system developed by Philips of Holland. In a sequel to the successful development of VHS, Victor came up, in 1978, with the VHD system for video disc players.

The VHD "family" (in other words companies committed to using the system) now includes Matsushita, Thorn-EMI, and General Electric of the U.S., as well as Victor.

Conti-Gummi pays DM 2.50 dividend

By Our Financial Staff

CONTINENTAL Gummiwerke, Germany's largest tyre group, is to pay a dividend of DM 2.50 a share for 1980, its first payment to shareholders for nine years.

The company said that group trading in 1980 had resulted in a net profit of DM 26.9m, compared with DM 10.9m in 1979.

Earlier this year Conti-Gummi hinted strongly that it could well be in a position to pay a dividend following a profits recovery.

In recent years the company's trading has been dogged by a number of losses.

Bank of New South Wales lifts interim profit by 33%

BY OUR SYDNEY CORRESPONDENT

THE BANK of New South Wales yesterday capped a strong profit season for the Australian banking industry with the announcement of a 33.3 per cent profit increase, from A$51.5m to A$81.9m (U.S.$94m) in the six months to March 31.

A 50 per cent increase in the dividend, from 8 cents to 12 cents a share, has been recommended. The directors attributed the profit rise to growth in both banking and non-banking divisions and in overseas operations.

Banking operations contributed A$56.14m towards group profit, while non-banking operations contributed A$25.7m. Overseas operations provided 19.3 per cent of banking profits.

The improved non-banking income, up 15.3 per cent, resulted from a stronger performance by the 76.8 per cent owned finance subsidiary, AGC. The finance-company offshoot last week reported a rise in income of 16.1 per cent, from A$27.5m to A$31.9m. This compares favourably with performances by other major bank-controlled finance subsidiaries.

Dissent over Amax rejection of Socal bid

By Paul Taylor in New York

DEEP DIVISIONS have emerged within the ranks of both shareholders and the management of Amax, the major U.S. mining and minerals company, over the board's decision to reject the takeover bid worth up to $4.3bn from Standard Oil of California (Socal).

Shareholders at the company's crowded and sometimes stormy annual meeting in New York on Thursday repeatedly questioned the basis on which the Socal offer had been rejected. They found unexpected support from Mr. Walter Hochschild, a former chairman of Amax and still a member of the Board.

There has also been speculation that Mr. Ian MacGregor, the British Steel Corporation chairman and another former Amax chairman, favoured a merger with Socal. Mr. MacGregor, who is still on the Amax Board, was careful in commenting on the Socal bid during the meeting. However, after explaining the circumstances under which Socal bought its original Amax holding, he turned to the bid and told shareholders that the Board was "unanimous" in turning down "that" proposal, suggesting that he may still favour the principle of a merger.

Strong half-year gain at Stewarts & Lloyds

BY JIM JONES IN JOHANNESBURG

STEWARTS & LLOYDS, the South African light and heavy engineering goods manufacturer, continued to benefit from the improving economic climate during the six months to March 31, 1981. Pre-tax profit was R11.96m ($14.42m) against R9.33m in the corresponding period of 1980 and R19.58m in the year to September 30, 1980. First half turnover was 25 per cent higher at R197.4m against R157.9m in the first half of last year and R358m for the year as a whole.

Management does not expect any appreciable change in demand during the present six months and says that the normal second-half seasonal increase in earnings should take place. Although order books grew sharply during the first half, the rate of increase in new work has peaked.

The company has capital spending plans of R23m, most of which is for a new galvanising plant. A new foundry is to come on stream soon. An interim dividend of 12.5 cents has been declared from first half earnings of 32.5 cents a share. Last year the interim dividend was 10 cents and first half earnings 24.4 cents a share. The year to September 30, 1980 resulted in earnings per share of 52.1 cents and a total dividend of 28 cents.

Rights issue by Hong Kong property group

By Adrian Boven in Hong Kong

FAR EAST CONSORTIUM, a medium-sized property development company in Hong Kong, has announced that it will offer its shareholders a HK$99.6m (U.S.$18.32m) rights issue of shares and warrants in Madison Securities, a sister company.

The 79.7m shares to be issued will be offered on the basis of one share of Madison for every five shares of FEC at HK$1.25 a share. Each share will carry a warrant entitling its owner to subscribe for an additional share up to December 31, 1988, at a price of HK$2.80 a share.

Madison Securities was recently revived by the Far East group of companies after a four-year suspension of trading that resulted from the failure of a reorganisation plan

BHP in aluminium smelter talks with Japanese

BY OUR SYDNEY CORRESPONDENT

BROKEN HILL Proprietary, Australia's biggest company, is talking to two Japanese aluminium companies, Sumitomo and Kobe Aluminium, with a view to one of them taking the place of Alumax in the partnership to build an A$600m (US$690m) smelter at Lochinvar in the Hunter Valley region of New South Wales.

BHP needs to find a partner, preferably as soon as possible, because it wishes to be abreast of the latest technology, and currently finds itself having to take the lead in Hunter Valley Aluminium at a time when crucial environmental issues, such as the potential fluoride fallout on adjoining vineyards, is being discussed. A public inquiry into the new smelter, due to begin on Monday, may now be postponed.

Olivetti parent advances

BY JAMES BUXTON IN ROME

ING. C. OLIVETTI, the parent company of the Olivetti business machine and computer manufacturer, said yesterday that its turnover in the first four months of 1981 was L409.4bn ($360m), some 23 per cent up on the comparable figure for 1980.

The continuing good progress of the company was announced at the annual meeting which approved a balance-sheet showing net profits of L50.1bn in 1980 compared with net profits of L23.8bn in 1979. Turnover in 1980 was L1,102.9bn, a 22.1 per cent improvement on 1979.

Shareholders yesterday approved plans to raise a further L180bn in new funds by means of a rights issue and a convertible bond issue.

COMMODITIES/REVIEW OF THE WEEK

Zinc prices reach four-year peak

BY OUR COMMODITIES STAFF

ZINC VALUES rose to the highest level for four years on the London Metal Exchange yesterday. Cash zinc gained £13 to close at £424 a tonne, £23.75 up on a week ago. The rise in zinc, which has now gained over £40 in the past fortnight, came in spite of news that a tentative agreement had been reached with workers at Cominco's big Trail smelter in British Columbia which postponed the strike threatened there when labour contracts expired on April 30. However a strike still remains a possibility if the agreement is rejected by workers and meanwhile there were further rises in U.S. domestic zinc prices leading to speculation that the European producer price might be raised again.

Although demand for zinc in Western Europe remains poor, there is reported to be buying interest from the Soviet bloc and also from the U.S. where there are signs of a recovery. Supplies of zinc concentrates remain scarce worldwide encouraging the general upward trend in zinc metal prices.

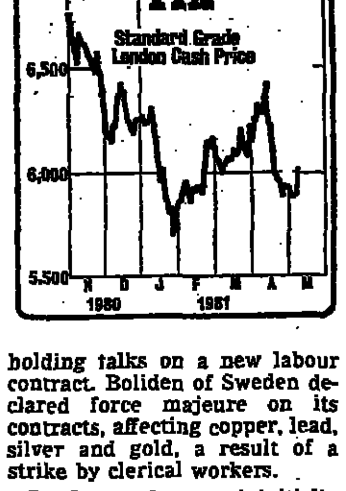
All base metal markets were boosted yesterday by forecasts of lower U.S. interest rates contrasting with earlier predictions of higher rates. Cash copper wirebars gained £10 to £840.5 a tonne. Moves to settle the strike at the El Teniente copper mine in Chile have so far failed and workers at the big Chuquicamata mine are now holding talks on a new labour contract. Boliden of Sweden declared force majeure on its contracts, affecting copper, lead, silver and gold, a result of a strike by clerical workers.

Lead was depressed initially by avoidance of the threatened strike at the St. Joe smelter in Missouri. But hopes that the settlement by smelter workers would help end the strike by workers at the company's mining and milling plants in Missouri, which provide concentrates for the smelter, have not materialised so far. However Asarco announced a 3 cents cut in its domestic U.S. lead price and this was sufficient to depress the London market, although cash lead yesterday moved up by £12.5 to £337 a tonne, still £7.25 down on the week. In the wake of the general rise in metals. Tin prices also rallied sharply. The cash price jumped yesterday by £127.5 to £6,020 a tonne. The rise was attributed mainly to the trend in other metals, notably zinc, although it was also suspected that the steadier trend in Penang may have been the result of support buying by the buffer stock of the International Tin Council.

Cocoa prices ended lower again despite an upward revision in the 1980-81 world bean consumption estimate by Gill and Duffus, the influential London trade house. The July position ended at £931.50 a tonne, down £13.00.

Gill and Duffus estimated the current season's world cocoa surplus at 70,000 tonnes.

Despite rallying yesterday world sugar values still ended slightly down on the week. The October position, which fell to £176,975 on Monday, ended £1 down on balance at £184.625 a tonne after gaining £4.125 yesterday.



WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1981 High	1981 Low
METALS					
Aluminium	£810/815	—	£810/815	£810/815	£780/70
Free Markets c.i.f.	$1295/1325	—	$1,810/1,840	$1500/1530	$1295/1325
Antimony					
Free Market 99.6%	$2875/2895	—	$3390/3440	$3200/3260	$2865/2895
Copper Cash Wire Bars	£840.5	+11.25	£884	£856	£755
3 months Do. Do.	£862.75	+12.5	£909.5	£877.25	£777.5
Cash Cathodes	£831	+8.5	£866.5	£848	£748.5
3 months Do.	£851.5	+13	£888.5	£865	£765.5
Gold per oz.	$488.5	−1	$512.5	$601	$463.5
Lead Cash §	£337	−7.25	£336.5	£357.5	£273.75
3 months §	£344.75	−5.0	£344.5	£364.75	£285.25
Nickel	£3,504.50	+126	£3,355	£3,504.5	£3,156
Free Market c.i.f. lb	295/310c	+5	275/305c	290/310c	270/290c
Platinum per oz.	£213.50	—	£189/193	£213.50	£202
Free Market per oz	£219.50p	−2.85	£247.10	£243.40	£185.60
Quicksilver (76lbs.)	$420/430	—	$380/390	$420/430	$355/365
Silver per oz	525.50p	+5.5	570.70p	671.20p	508.50p
3 months per oz.	540.30p	+5.8	590.70p	695.70p	521.40p
Tin cash	£6,020	+102.5	£7,420	£6,425	£5,700
3 months	£6,115	+98.5	£7,407.5	£6,407.5	£5,865.5
Tungsten Ind.	$147.31	−23	$140.60	$149.08	$140.56
Wolfram (22.04 lb).	$142/145	—	$138/143	$151/155	$142/145
Zinc cash	£424	+23.75	£288.5	£424	£306.5
3 months	£432.5	+23.25	£299.5	£432.5	£318.25
Producers	$875	—	$780/825	$875	$823
GRAINS					
Barley Futures	£95.95w	−0.05	£91.60	£102.80	£95.55
Maize French	£127	—	‡	£127.5	£119.75
WHEAT Futures	£102.20w	+0.15	‡	£121.10	£102.05
Hard Winter Wheat	£106.20z	—	‡	£112.5	£102.0
SPICES					
Cloves (g)	£4,650x	—	£4,175	£4,650	£3,800
Pepper, white	$2,025y	—	$2,425	$2,027	$2,000
black	$1,400y	—	$1,700	$1,650	$1,400
OILS					
Coconut (Philipines)	$552x	−28	$615	$640	$525
Groundnut 5%	‡	—	‡	‡	‡
Linseed, Crude	£424	—	£587	£460	£400
Palm Malayan	£570v	—	$575	$645	$560
SEEDS					
Copra (Philipines)	$380x	—	$375	$430	$350
Soyabeans (U.S.)	$320	−5	$270.20	$340	$298
OTHER COMMODITIES					
Cocoa Shipment	£1,032	−8	£1,270	£1,091	£915
Cocoa Futures July	£931.5	−15	£1,229.5	£997.5	£860.5
Coffee Futures July	£1,053.5	−8	£1,739	£1,083.5	£988.5
Cotton Index	87.30c	−1.15	88.60c	101.15c	87.15c
Des Coconut	£685	−5	£725	£650	£640
Jute LJ ABW C grade	£214x	—	£218	£231	£219
Rubber kilo	53.5p	−1.5	61.25p	69.25p	51.5p
Sago Pearl	£215x	—	£204	£215	£197
Sisal No.	$730	—	$865	$780	$780
Sugar (Raw)	£173	−2	£306	£315	£171
Tapioca No. 1	£215x	—	£202	£215	£207
Tea (quality) kilo	123p	—	‡	‡	‡
(plain.) kilo	72p	—			
Wooltops, 64s Warp	335p kilo	+5	292p kilo	335p kilo	294 pkilo

‡ Unquoted. (g) Madagascar. (y) April/May. (x) May/June. (z) June. (w) Sept. (v) July. * Nominal.

MARKET REPORTS

BASE METALS

COPPER—Moved ahead in active trading on the London Metal Exchange as short-covering and chartist buying followed the lack of any further interest rate rises in the U.S. Forward metal opened at £853 and rose to £866.5 before closing the afternoon kerb at £865.5. Turnover 23,900 tonnes.

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Wirebars				
Cash	831-.5	+5	840-1	+10
3 months	854-.5	+5.5	862.5-3	+9.5
Settlem't	831.5	+5	—	......
Cathodes				
Cash	823-4	+3.5	830-2	+6.5
3 months	842-.5	+5.5	851-2	+10½
Settlem't	824	+5	—	......
U.S. Prod.	—		*83.65-88	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £832, three months £855, 56, 56.5, 56, 55, 54.5, 54, 55, 54.5, 54. Cathodes, three months £843, 42.5. Kerb: Wirebars, three months £854, 54.5. Afternoon: Wirebars, three months £859, 59.5, 60, 60.5, 62, 63, 62, 62.5, 63, 63.5, 64, 63.5, 63, 62.5. Cathodes, three months £852, 51. Kerb: Wirebars, three months £865, 66, 66.5, 66, 65.5, 65, 65.5, 66.

TIN—Gained ground on short covering prompted by the sharp gains in other metals. Three months opened at £6,030 and moved up to £6,110 before closing the afternon kerb at £6,100. Turnover 985 tonnes.

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grade	£	£	£	£
Cash	5970-90	+75	6010-30	+127
3 months	6055-60	+60	6110-20	+117
Settlem't	5990	+75	—	......
Standard				
Cash	5965-70	+82.5	6010-30	+127
3 months	6055-60	+68	6110-20	+117
Settlem't	5970	+55	—	......
Straits E.	$28.61	......	—	......
New York	—	......		

Morning: Standard, cash £5,960, 70, thre months £6,040, 50, 55, 60. Kerb: Standard, three months £6,060, 65, 75, 70, 75, 80, 75, 70. Afternoon: Standard, three months £6,060, 50, 55, 70, 76, 80, 90, 6,100, 10. Kerb: Standard, three months £6,110, 6,100, 10.

LEAD—Firmer, buoyed by the sharp gains in other metals, notably zinc, and the possibility of a strike at Cominco's Trail smelter. Forward metal opened at £336 and rose to £345 before closing the afternoon kerb at £343. Turnover 15,975 tonnes.

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	336.5-7	+5.5	336.5-7.5	+12.5
3 months	343.5-4	+7	344.5-5	+12¼
S'ment	337	+5.5	—	......
U.S. Spot	—	......	*36-8	......

Morning: Cash £337, 36.5, three months £342, 43, 42, 42.5, 44, 45, 44.5, 44. Kerb: Three months £343, 42.5, 43. Afternoon: Three months £344.5, 45, 44.5, 44, 44.5, 45. Kerb: Three months £345, 44, 43.

ZINC—Sharply higher for the third successive day as renewed heavy speculative, chartist and trade buying lifted forward metal to a day's high of £435 before a close of £433.75 on the afternoon kerb. Widespread rumours of possible further American and European producer price increases coupled with the possibility of a strike at the Trail smelter in Canada continued to encourage the buying interest. Turnover 15,125 tonnes.

ZINC	a.m. Official	+ or −	p.m. Unoffic'l	+ or −
	£	£	£	£
Cash	422-3	+10.5	433-5	+13
3 months	429.5-30	+10	432-3	+12¾
S'ment	423	+10.5	—	......
Primw'ts	—	......	*45.75	−6.75

Morning: Three months £431, 32, 32.5, 33, 32.5, 32, 31, 30.5, 30, 28, 29, 29.5. Kerb: Three months £430, 29, 28.5. Afternoon: Three months £431, 32, 33, 34, 33.5, 33. Kerb: Three months £432, 31, 30, 29, 30, 33, 32.5, 33, 34, 35, 34.

ALUMINIUM—Firmer as demand for cash metal coupled with short covering and stop-loss buying lifted forward metal from around £634 to a day's high of £642. However, light profit-taking pared the price to £640 by the close. Turnover 9,475 tonnes.

Alumin'm	a.m. Official	+ or −	p.m. Unoffic'l	+ or −
	£	£	£	£
Spot	614-5	−2	621-2	+4.5
3 months	634-.5	−1.75	640-.5	+3.75

Morning: Cash £615, 14, 15, three months £635, 34, 32, 33, 34, 35.5, 36, 35.5, 35, 34. Kerb: Cash £615, three months £634. Afternoon: three months £634, 35, 38, 39, 40, 41, 42, 41, 40, 40.5, 41, 40.5. Kerb: Three months £641, 40, 39, 40, 41, 40.

NICKEL—Advanced as rumours of a sizeable decline in warehouse stocks encouraged heavy speculative and stop-loss buying which was only partly met by trade selling. Forward metal opened the day at £3,040 and rose to a high of £3,110 before easing to close the late kerb at £3,085. Turnover 1,338 tonnes.

NICKEL	a.m. Official	+ or −	p.m. Unoffic'l	+ or −
Spot	3070-80	+50	3125-35	+90
3 months	3050-5	+30	3090-5	+70

Morning: Three months £3,055, 50, 55, 60, 55. Kerb: Early August £3,055, three months £3,055. Afternoon: Cash £3,135, three months £3,060, 65, 70, 80, 85, 90, 3,100, 10, 05, 3,100, 10, 05, 3,100, 10, 3,100, 3,095. Kerb: three months £3,090, 95, 90, 85.

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

SILVER

Silver was fixed 7.75p an ounce higher for spot delivery in the London bullion market yesterday at 525.3p. U.S. equivalents of the fixing levels were: spot $11.105, up 19.1c; three-month $11.633, up 19.7c; six-month $12.127, up 19.4c; and 12-month $12.999, up 19.8c. The metal opened at 518-526p ($10.95-$11.10) and closed at 536-543p ($11.35-$11.50).

SILVER per troy oz.	Bullion fixing price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	525.30p	+7.75	537.5p	+18
3 months	540.30p	+7.95	553.25p	+16.5
6 months	556.10p	+7.55	—	......
12 months	586.85p	+1.40	—	......

LME—Turnover 130 (116) lots of 1,000 ozs. Morning: cash 526, three months 540, 39.5, 40.5, 41, 42, 41.8, 41.5, 42. Kerb: three months 541.5. Afternoon: three months 548, 49, 48, 48.5, 49, 49.5, 53, 52, 51, 52, 53, 54, 53.5. Kerbs: three months 553.

COCOA

Futures initially eased on further commission house selling but later rallied during afternoon dealings on pre-wekend shortcovering for prices to close with small gains. Actuals business was neglected, reports Gill and Duffus.

COCOA	Yes'rday's Close	+ or −	Business Done
May	915-916	+6.5	916-898
July	931-932	+5.0	933-914
Sept.	950-951	+5.5	952-934
Dec.	974-975	+4.0	975-959
March	994-995	+2.5	995-980
May	1010-1011	+5.0	1011-999
July	1021-1023	+4.5	—

Sales: 2,603 (1,427) lots of 10 tonnes. ICCO Futures—Daily price for May 7: 90.82 (91.50); five-day average 91.72 (92.26).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kilo. May 478.0, 479.0, 479.0-477.0; July 488.7, 490.0, 489.5-488.3; Oct. 487.7, 488.5, 488.0-477.0; Dec. 491.2, 491.5, 491.5-491.0; Mar. 488.5, 499.1, 498.0-498.0; May 506.5, 507.0, 506.5-505.0; July 512.5, 513.0, nil; Oct. 511.0, 512.0, nil. Sales: 87.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kilo. May [illegible] buyer, nil; Aug. [illegible], 375, nil; Oct. 372, 374, 373; Dec. 374, 376, 376-375; Jan. 377, 378, 377; Mar. 382, 384, 386-384; May 390, 393, 396-392; Aug. 402, 403, 403; Oct. 403, 405, 404-403. Sales: 148.

COFFEE

Throughout a quiet session values remained locked in a narrow trading range after initial losses, reports Drexel Burnham Lambert. Self trades of 1,000 lots by one major trade house provided the only feature.

COFFEE	Yesterday's Close	+ or −	Business Done
	£ per tonne		
May	1050-55	−6.0	1059-51
July	1063-64	−7.0	1069-62
Sept	1067-68	−4.0	1073-67
Nov	1058-60	−4.0	1065-68
Jan	1051-53	−6.0	—
March	1045-48	+2.5	1048
May	1050-55	......	1060

Sales: 2,200 (1,625) lots of 5 tonnes. ICO Indicator prices for May 7 (U.S. cents per pound): Comp. Daily ICA 1976 120.34 (120.54); 20-day average 120.40 (120.41).

GAS OIL FUTURES

The market was nervous again this morning, reacting to political tensions rather than responding to movement in the physical market. After reaching the highs in the early afternoon, the market fell back to close near the lows on high volume, reports Premier Man.

Month	Yesterd'ys close	+ or −	Business Done
	$ U.S. per tonne		
June	277.50	−2.00	282.50-77.00
July	276.50	−2.50	284.25-76.50
August	281.50	—	287.50-80.50
September	286.00	−0.75	293.00-86.00
October	288.50	−2.50	294.50-88.90
November	295.00	−1.50	299.50-95.00
December	299.50	−3.50	304.50-00.00
January	305.00	−1.50	309.50-09.50
February	309.00	−1.50	—

Turnover: 1,562 (928) lots of 100 tonnes.

GRAINS

Business done—Wheat: May 115.10-114.95, July 117.20-116.85, Sept. 102.35, 102.20, Nov. 106.00-105.90, Jan. 109.95-109.85, Mar. no trades. Sales: 98 lots of 100 tonnes. Barley: May 101.50-101.25, Sept. 95.95-95.80, Nov. 99.50-99.45, Jan. no trades, Mar. 106.40 one trade. Sales: 81 lots of 100 tonnes.

Mnth	WHEAT Yesterd'ys close	+ or −	BARLEY Yesterday close	+ or −
May	114.90	−0.65	101.30	+0.25
July	116.85	−0.70	—	—
Sep	102.20	−0.05	95.95	+0.05
Nov	106.00	+0.05	99.60	—
Jan	109.85	−0.10	103.00	−0.05
Mar	113.60	−0.05	106.40	−0.10

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 2 14 per cent May 107.95, June 107.20, July 106.70 transhipment East Coast sellers. U.S. Hard Winter 13½ per cent June 106.20, July 106.70 transhipment East Coast sellers. English Feed fob May 118.50, June 119.50 quoted East Coast. Maize: French May 127.00 transhipment East Coast seller. S. African Yellow June/July 88.50 seller. Barley: English Feed fob May 106 paid East Coast, 105.50 traded East Coast, Scotland June 106 paid East Coast.

HGCA—Locational ex-farm spot prices. Other milling wheat: Eastern 116.80, E. Midlands 117.00. Feed barley: Eastern 100.00, E. Midlands 99.90, N. East 100.40, Scotland 99.30. The UK Monetary Coefficient for the week beginning Monday May 18 is expected to remain unchanged.

RUBBER

No 1. R.S.S.	Yest'r'ys close	Previous close	Business Done
June	56.00-56.80	55.00-57.00	—
July	56.80-57.20	57.50-57.80	—
Jly-Sept	58.00-58.10	58.20-58.30	58.50-57.70
Oct-Dec	61.50-61.40	62.00-62.10	61.50-60.80
Jan-Mar	64.10-64.20	64.70-64.90	64.30-64.10
Apl-Jne	66.80-67.00	67.50-67.70	—
Jly-Sept	69.50-69.60	70.40-70.60	—
Oct-Dec	72.30-72.90	74.20-74.40	—
Jan-Mar	75.10-75.50	76.00-76.20	—

The London physical market opened easier, with little interest throughout the day, closing uncertain. Lewis and Peat reported a fob June price for No. 1 RSS in Kuala Lumpur of 268 (273.5) cents a kg and SMR 239.5 (241.5).

Sales: 196 (133) lots of 15 tonnes nil (4) at 5 tonnes. Physical closing prices (buyers) were: Spot 53.50p (54.25p); June 57.50p (58.40p); July 58.00p (58.75p).

SOYABEAN MEAL

The market opened slightly easier in a featureless day, reports T. G. Roddick. Prices remained steady in quiet conditions and closed at opening levels.

	Yesterday's Close	+ or −	Business Done
	£ per tonne		
June	134.80-34.7	+0.50	134.50-34.10
August	135.80-36.0	−0.25	135.60-35.50
October	137.00-37.0	−0.35	136.60-35.50
December	137.70-38.0	−0.40	—
February	138.00-41.0	−0.25	—
April	[illegible]	—	—
June	[illegible]	—	—

Sales: 44 (60) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £173.00 (£178.00) a tonne cif April-May-June shipments. White sugar daily price £190.00 (same).

Opening trades were around overnight levels but selling interest at the lower levels was soon exhausted. The market then quickly rallied before selling interest appeared once more and the advance was halted, reports C. Czarnikow.

No. 4 Contract	Yest'rdy's Close	Previous Close	Business Done
	£ per tonne		
Aug.	181.75-82.00	179.50-79.75	183.00-75.00
Oct.	184.50-84.75	180.00-81.00	186.25-78.00
Jan.	185.25-86.00	180.25-81.45	186.00-81.00
March	189.50-90.00	183.75-84.00	190.00-82.00
May	191.00-91.50	184.75-86.00	191.50-84.50
Aug	192.50-95.50	185.50-87.00	—
Oct.	195.50-96.00	187.00-89.00	—

Sales: 8,272 (6,846) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.6 (same) a tonne for home trade and £258.0 (£260.0) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean port. Prices for May 7: Daily price 14.73 (14.84); [illegible] average 15.91 (16.06).

AMERICAN MARKETS

NEW YORK, May 8.

THE PRECIOUS metals markets and copper rallied sharply due to concern over the Syrian-Israeli situation. Sugar and cocoa rallied on arbitrage buying and trade support. The grains and soyabean complex was generally lower on liquidation ahead of the USDA wheat production estimate, reported by Heinold.

Copper—May 81.65 (80.05), June 82.45 (80.90), July 83.80-83.85, Sept. 86.50, Dec. 90.35-90.50, Jan. 91.55, March 93.90, May 96.10, July 98.30, Sept. 100.50, Dec. 103.80, Jan. 104.90, March 107.10.

Potatoes (round whites)—Nov. 71.6 (71.9), Feb. 77.5-78.3 (78.6), March 84.1-84.2, April 96.4-96.5.

Sugar—No. 11: July 15.60-15.68 (14.94), Sept. 16.10-16.15 (15.21), Oct. 16.25-16.35, Jan. 16.46, March 16.85, May 17.00-17.05, July 17.25-17.30, Sept. 17.40-17.50, Oct. 17.50. Sales: 8,280.

Tin—590.00-600.00 (580.00-586.00).

CHICAGO, May 8.

Lard—Chicago loose 19.50 (same).

Live Cattle—June 70.20-70.40 (69.42), Aug. 68.25-68.35 (67.40), Oct. 66.80-66.85, Dec. 68.05-67.95, Feb. 69.55, April 70.67, June 71.75.

Live Hogs—June 48.50-48.65 (48.32), July 51.80-51.65 (51.30), Aug. 52.75-52.85, Oct. 52.00-51.97, Dec. 54.20-54.22, Feb. 56.22, April 55.37, June 57.80, July 57.80.

‡‡Maize—May 352¼ (355¾), July 364-363½ (365¼), Sept. 371½-372, Dec. 375½-376, March 388-388½, May 395½.

Pork Bellies—May 48.60 (48.25), July 49.70-49.95 (49.62), Aug. 49.50-49.70, Feb. 66.95, March 67.40, May 68.60, July 69.85, Aug. 70.00.

†Soyabeans—May 764-765 (767¾), July 787-788 (787¾), Aug. 793-793½, Sept. 798-798½, Nov. 811-812, Jan. 831, March 852, May 866½.

||Soyabean Meal—May 224.0-223.8 (223.5), July 228.0-228.2 (228.1), Aug. 229.0-229.3, Sept. 230.5, Oct. 231.5-232.0, Dec. 236.0-236.5, Jan. 239.0, March 246.0-247.0, May 249.5-250.0.

Soyabean Oil—May 23.24-23.27 (23.28), July 23.96-23.97 (24.03), Aug. 24.40, Sept. 24.80, Oct. 25.20, Dec. 25.93-25.90, Jan. 26.22-26.30, March 26.80-26.85, May 27.30-27.35, July 27.75-27.80.

†Wheat—May 409 (416½), July 427½-428½ (433½), Sept. 444, Dec. 472-471, March 494-493, May 503.

WINNIPEG, May 8.

§Barley—May 149.00 (150.10), July 150.40 (151.10), Oct. 148.50, Dec. 146.90, March 149.50.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. || $ per short ton (2,000 lbs). § $Can per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen. †† $ per metric ton.

Thursday's Closing Prices

NEW YORK, May 7.

††Cocoa—May 1819 (1827), July 1885 (1891), Sept. 1946, Dec. 2018, March 2073, May 2118, July 2158, Sept. 2198. Sales: 1,108.

Coffee—"C" Contract: May 126.90 (127.10), July 127.00-127.10 (127.54), Sept. 126.50-126.80, Dec. 124.31-124.50, March 122.80, May 122.75-123.00, July 122.75-123.00, Sept. 122.75. Sales: 1,630.

Cotton—No. 2: July 84.60-84.75 (83.35), Aug. 85.05-85.43 (83.70), Oct. 82.80-82.90, Dec. 80.50-80.70, March 82.10, May 82.90-83.50, July 83.75-84.60, Oct. 83.50-84.00. Sales: 5,000.

*Gold—May 481.9 (479.3), June 486.0-487.5 (484.5), July 494.2, Aug. 500.5-501.7, Oct. 515.9, Dec. 530.0-530.5, Feb. 545.1, April 559.8, June 566.5-573.0, Aug. 589.4, Oct. 604.3, Dec. 619.4, Feb. 634.6. Sales: 29,000.

Heating oil (cents per U.S. gallon)—June 0.9304 (0.9132), July 0.9307 (0.9141), Aug. 0.9380, Sept. 0.9550, Oct. 0.9720, Nov. 0.9860, Dec. 1.0063, Jan. 1.0250, Feb. 1.0415, March 1.0575, April 1.0750, May 1.0700. Sales: 6,054.

Orange Juice—May 143.00 (143.00), July 147.50-148.00 (147.40), Sept. 149.90, Nov. 149.50, Jan. 149.40-149.50, March 150.25-150.30, May 150.95-151.00, July 151.75-152.00, Sept. 151.85-151.90. Sales: 1,100.

*Platinum—May 460.0 (453.1), June nil (458.6), July 472.5-473.5, Oct. 493.5, Jan. 514.0, April 534.9. Sales: 1,354.

¶Silver—May 1100.0-1101.0 (1093.5), June 1111.5 (1106.5), July 1125.0-1136.0, Sept. 1164.0, Dec. 1217.0, Jan. 1235.0, March 1270.0, May 1305.0, July 1340.0, Sept. 1375.0, Dec. 1427.5, Jan. 1445.0, March 1470.0. Handy and Harman bullion spot 1098.00 (1091.00). Sales: 3,700.

CHICAGO, May 7.

Chicago Imm Gold—June 488.0-487.0 (484.5), July 494.7 (491.7), Sept. 509.0-509.3, Oct. 516.5, Dec. 531.1, Jan. 538.5, March 553.2, April 560.6.

WINNIPEG, May 7.

§Barley—May 150.10 (151.60), July 151.10 (152.50), Oct. 149.60, Dec. 150.00, March 150.90.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 259.47 (260.62).

INDICES

FINANCIAL TIMES

May 7	May 6	Month ago	Year ago
255.16	254.14	263.46	276.29

(Base: July 1, 1952=100).

MOODY'S

May 7	May 6	Month ago	Year ago
1082.6	1076.6	1123.7	1119.8

(December 31, 1931=100)

DOW JONES

Dow Jones	May 7	May 6	Month ago	Year ago
Spot	394.14	392.26	414.74	442.09
Fut'rs	404.61	404.68	426.30	443.85

(Average 1924-25-26=100)

REUTERS

May 8	May 7	M'nth ago	Year ago
1685.0	1684.2	1696.2	1709.1

(Base: September 18, 1931=100)

Commons Treasury Committee criticised

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

STRONG CRITICISM of the Commons Treasury Committee report on monetary policy was made yesterday by Dr. Alan Budd of the London Business School.

Dr. Budd, who was speaking at an Institute for Fiscal Studies conference, is a former adviser to the committee which is all-party.

In one of the most revealing speeches yet on the workings of the new select committee system (which started towards the end of 1979), he criticised both the way the committee conducted its inquiry and its conclusions.

He argued that it was quite right for the committee to examine monetary policy. However, he went on: "I think it was wrong for it to undertake this kind of study in which it would seek the views of all the great economists on a number of fundamental issues of theory and policy.

"I could not see the point of the committee's trying to resolve matters of great complexity which were the subject of long-standing and unresolved debate among the economists."

Dr. Budd criticised in detail the questionnaires sent to economists by the committee, the treatment of written and oral evidence and the role of the specialist advisers.

He resigned as an adviser because he believes the committee's role should be as an assessor of arguments rather than as an advocate of a particular position.

Dr. Budd also attacked the report itself for being wholly negative, for distorting Government policy and for failing to evaluate alternative approaches.

Some of these points were also discussed during the conference by Mr. Tim Eggar, the Conservative MP for Enfield North, and by Dr. Jeremy Bray, the Labour MP for Motherwell, both of whom are on the Treasury committee.

Mr. Eggar said the committee did not rubber stamp the views of its advisers but considered the balance of evidence and produced unanimous conclusions.

He argued that the inquiry forced the Treasury and the Bank of England to justify their policies in a way and in a detail that had never been done before.

"It promted healthy self-examination," he said. I think it is fair to claim that it has raised, possibly permanently, the level of political debate about the economy."

However, he conceded that the deeper the committee got into techniques the less sustainable its judgment became.

Dr. Bray maintained that "the Chancellor of the Exchequer's decision to make no reply to the committee's report reflects the intellectual collapse of the Government's case for its economic strategy."

He said the committee had made many suggestions about improved methods of economic management.

● The Treasury and Civil Service Committee's next inquiry will be into the financing of nationalised industries. A programme of meetings at which oral evidence will be taken has been arranged and is likely to begin later this month or in early June. Witnesses will include the Treasury and the Nationalised Industries' Chairmen's Group. The committee hopes to complete the inquiry by July. Written evidence from interested bodies is invited by, if possible, June 1.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
May 11	May 22	Aug. 6	Aug. 17
May 26	June 5	Aug. 26	Sept. 7
June 8	June 19	Sept. 10	Sept. 21

For rate indications see end of Share Information Service

Call options were transacted in Debenhams, KCA, Montague L. Meyer, Tesco, Southern Pacific Petroleum, Singlo, Dobson Park, D. M. Lancaster, Rothmans International, ICL, Muirhead, Howard Machinery, Comfort Hotels, Acrow A, Dares Estates and Premier Oil. Puts were done in Amalgamated Distilled Products, Mothercare, Commercial Union, ICI and Lucas, while ICL were dealt in for the double.

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
Gold C	$500	10	3	31	34	5	52	$485.75
Gold C	$525	31	0.60	41	22	—	—	"
Gold C	$550	—	—	—	—	150	30	"
Gold P	$475	28	4	—	—	—	—	"
Gold P	$500	18	15	2	29	—	—	"
		Jul.		Oct.		Jan.		
ABN C	F.300	11	5.60	5	9.50	—	—	F.284.50
AKZO C	F.17.50	20	6.20	10	6.40	—	—	F.22.90
AKZO C	F.20	—	—	30	4.40	—	—	"
AKZO C	F.22.50	25	1.80 B	90	3.40	—	—	"
AKZO C	F.25	140	0.80 B	91	2.20	10	3.30	"
AKZO P	F.20	—	—	66	0.70	—	—	"
AKZO P	F.25	24	2.30	—	—	—	—	"
AMRO C	F.60	25	0.70	—	—	—	—	F.55.60
HEIN P	F.55	—	—	20	5 A	—	—	F.52.40
HEIN P	F.60	—	—	5	8.30	—	—	"
HOOG C	F.15	20	3.70	—	—	—	—	F.17.40
HOOG C	F.17.50	—	—	21	3	—	—	"
HOOG C	F.20	—	—	20	1.80	—	—	"
IBM C	$60	10	2⅛	—	—	—	—	$57⅝
KLM C	F.100	6	22	—	—	—	—	F.118
KLM C	F.110	47	16	—	—	—	—	"
KLM C	F.120	27	11	14	15.50	—	—	"
KLM C	F.130	146	6.50	—	—	—	—	"
KLM P	F.90	22	1.20	—	—	—	—	"
KLM P	F.100	30	3.50 B	—	—	—	—	"
KLM P	F.110	10	6	12	10.50	—	—	"
KLM P	F.120	15	12	—	—	—	—	"
KLM P	F.130	—	—	11	21	—	—	"
NATN C	F.115	12	2.50	—	—	—	—	F113.70
NATN C	F.120	128	1	18	3	—	—	"
NATN C	F.125	25	0.40 A	—	—	—	—	"
NATN C	F.130	—	—	4	0.80	—	—	"
NATN P	F.110	20	3	—	—	—	—	"
NATN P	F.115	10	5.10	—	—	—	—	"
NATN P	F.125	12	14.80	—	—	—	—	"
PETR C	F.4500	5	1.70	—	—	5	550	Fr.4585
PHIL C	F.15	9	6.70	—	—	—	—	F.21.70
PHIL C	F.17.50	89	4.40	—	—	—	—	"
PHIL C	F.20	229	1.80	228	2.50	90	3.50	"
PHIL C	F.22.50	265	0.80	20	1.40	211	1.80	"
PHIL P	F.20	121	0.70	—	—	20	1.20	"
PHIL P	F.22.50	100	2.10	—	—	—	—	"
RD C	F.90	65	6 B	5	8	—	—	F.94.10
RD C	F.95	58	3.90	—	—	—	—	"
RD C	F.100	89	2.40	46	4.50	18	5.80	"
RD C	F.110	—	—	8	1.80	—	—	"
RD P	F.90	38	3.10	17	5.70 A	—	—	"
RD P	F.95	6	6.30	—	—	—	—	"
RD P	F.100	8	11	—	—	—	—	"
UNIL C	F.130	5	16	—	—	—	—	F.146
UNIL C	F.150	—	—	11	3.60	—	—	"
		MAY		AUG.		NOV		
BOEI P	$40	10	7⅝	10	7⅝	—	—	$32½
BASF C	DM.130	—	—	—	—	10	3.10	DM.126
MANN C	DM.140	—	—	—	—	6	9	DM.141.70
SLUM C	$100	5	2	—	—	—	—	$100½

TOTAL VOLUME IN CONTRACTS 3845

A = Asked B = Bid C = Call P = Put

LONDON TRADED OPTIONS

May 8 Total Contracts 1,285

Option	Ex'rcise price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	360	68	1	72	—	84	—	400p
BP	390	38	6	52	—	68	1	"
BP	420	19½	12	40	4	—	—	"
BP	460	8	32	—	—	—	—	"
Com. Union	180	10	50	15	—	19	2	169p
Cons. Gold	500	28	4	42	10	58	—	478p
Cons. Gold	550	17	8	27	—	—	—	"
Courtaulds	50	23	4	25	10	—	—	70p
Courtaulds	60	13	18	17	—	20	25	"
Courtaulds	70	8	7	10½	15	14½	7	"
Courtaulds	80	2½	60	6½	20	9½	5	"
GEC	550	132	—	150	2	—	—	665p
GEC	600	82	—	100	1	—	—	"
GEC	650	47	8	65	—	87	—	"
GEC	700	18	15	35	5	55	1	"
Grand Met.	200	12½	4	18	2	26	2	198p
Grand Met.	220	6	—	11	1	16	—	"
ICI	280	42	3	46	1	56	—	310p
ICI	300	30	6	34	1	48	1	"
ICI	330	14	59	20	34	34	—	"
ICI	360	6	65	—	—	—	—	"
Land Sec.	420	21	10	36	—	46	—	420p
Land Sec.	460	6	—	17	1	—	—	"
Marks & Sp.	120	23	1	26	1	—	—	137p
Marks & Sp.	130	15½	12	20	—	26	—	"
Marks & Sp.	140	9	21	13½	—	18	13	"
Shell	330	78	25	88	—	—	—	392p
Shell	360	54	1	64	—	72	—	"
Shell	390	32	6	42	—	54	2	"
Shell	420	17	4	28	3	—	—	"
Totals			432		109		59	
		May		August		November		
Barclays Bk.	420	11	30	32	—	38	—	420p
Lasmo	500	107	—	132	5	150	—	604p
Lasmo	550	57	15	90	—	112	—	"
Lasmo	600	25	7	60	9	80	—	"
Lasmo	650	9	—	37	1	55	—	"
Lasmo	700	3	—	23	3	34	5	"
Lasmo	750	1	—	8	2	—	—	"
Lonrho	90	5½	4	13	—	15	3	94p
Lonrho	100	1½	—	6½	9	9½	6	"
P & O	130	14½	—	18½	—	24	5	144p
P & O	140	5	20	14	—	18	16	"
P & O	160	1½	20	4	28	8	5	"
Racal Elec.	330	47	3	59	—	71	—	374p
Racal Elec.	360	17	72	38	3	51	76	"
Racal Elec.	390	3½	35	21	94	33	—	"
RTZ	460	—	—	125	2	135	—	554p
RTZ	494	66	32	—	—	—	—	"
RTZ	500	—	—	85	35	95	—	"
RTZ	550	25	50	54	87	60	1	"
Totals			288		279		116	

Stock Exchange dealings

The list below, restricted mainly to equities to conserve space, has been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. It shows prices at which business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange's Talisman checking system.

The prices are not in order of execution, but in ascending order which denotes the day's highest and lowest dealing price.

For those shares in which no business was recorded in Thursday's Official List, the latest recorded business done during the previous four business days is given with relevent dates appended. The number of bargains done on Thursday in each section is shown against the respective sub-headings. Unless otherwise indicated the shares are 25p fully-paid.

‡ Bargains at special prices. Δ Bargains done with a non-member or executed in overseas market. ⊕ Bargains done previous day. $A—$Australian, $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Mx—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BANKS, DISCOUNT (568)

BREWERIES (436)

COMMERCIAL (8,249)

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

FINANCIAL TRUSTS (281)

INSURANCE (381)

INVESTMENT TRUSTS (493)

Howe sees upturn soon

SIR GEOFFREY HOWE, the Chancellor, said in Glasgow yesterday there were indications that the upturn in the economy was not far away. He was speaking to about 50 Scottish businessmen at the launching of the Business Opportunities Programme which, he said, would contribute much to such an upturn.

Planning

The Chancellor said the measures he had outlined in his Budget to help small businesses were taking root all the time. Small businesses were particularly important in Scotland, where units employing fewer than 200 people in manufacturing comprised over 90 per cent of the total.

Sir Geoffrey said that Mr. John Younger, the Secretary of State for Scotland, had substantially relaxed planning controls and regulations in parallel with changes made in England and Wales.

Protest

The Clydebank enterprise zone, the first in Scotland, was expected to come into operation before the end of the summer, and hoped the statutory processes would be completed by the beginning of August.

Sir Geoffrey was confronted in Glasgow by some 20 banner-carrying members of the Council of Civil Service Unions, protesting against the Government's attitude on Civil Service pay.

Mr. Malcolm McEwan, a member of the council, handed a letter to the Chancellor drawing his attention to their "anger and frustration" at the Government's apparent indifference to their claim.

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Thurs. closing price pence	Day's change	Stock	No. of price changes	Thurs. closing price pence	Day's change
GEC	15	680	+3	Dunlop	12	75	+3
P. & O. (Dfd.)	15	146	−10	Racal Elec.	12	368	−3
Euro. Ferries	14	152	−8½	Ultramar	12	443	−7
Plessey	14	290	—	Tarmac	11	402	−14
RTZ	14	528	+2	Unilever	11	530	−8
Blue Circle	13	476	−10	Dalgety	10	317	−8
Bowater	13	256	−2	ICI	9	308	—

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of price changes	Thurs. closing price pence	Change on week	Stock	No. of price changes	Thurs. closing price pence	Change on week
GEC	89	660	−38	Plessey	66	290	−29
RTZ	85	528	−22	BP	65	388	+8
P. & O. (Dfd.)	83	146	−17	Bowater	63	256	−16
Ultramar	76	443	+11	Sainsbury (J.)	62	412	−3
ICI	70	309	−18	De Beers (Dfd)	60	377	+5
Shell (Trans.)	70	384	+4	LASMO	60	580	+65
BAT Inds.	68	350	−10	Racal Elec	60	368	−13

PROPERTY (364)

Allied London Props. (10p) 87 (6/5)
Allnatt London Props. 232
Almalg. Estates (5p) 23¾ 4 ¼
Anglo Metropolitan Hldgs. 98
Apex Props. (10p) 162 (1/5)
Aquis Securities (5p) 31
Beaumont Props. 122
Berkeley Hambro Prop. 260 1
Bilton (Percy) 222
Bradford Prop. Tst. 246 (6/5)
British Land 95 6 ½ 7 ½
Brixton Est. 146 7 8
Capital and Counties 113 4
Centrovincial Ests. (20p) 183 4 (6/5)
Chesterfield Props. 385 6 (6/5)
Churchbury Ests. 505
City Offices 103 4
Compco Hldgs. 245 (5/5)
Control Secs. (10p) 61½ 2 ½ 3½
Country and New Town (10p) 58½ (6/5). New (10p) 59½
Daejan Hldgs. 176 7 8
Dares Ests. (10p) 25½ 6 ½
Espley-Tyas Prop. Grp. PLC 84 5 6
Estates and Agency Hldgs. 133
Estates and Gen. (20p) 52 ½ 3 (6/5)
Ests. Prop. Invsts. 164 6 7
Evans of Leeds 154 (6/5)
Five Oaks Invsts. 24
Fed. Land 114
Gt. Portland Ests. (50p) 248 8 50 2
Green (R.) Props. (10p) 92
Greencoat Props. (5p) 14
Greycoat Estates (10p) 190
Hales Properties 132
Hammerson Trust 655. A 630 40
Haslemere Estates (10p) 406 8 10
Laganvale Estate (10p) 37 8 ½

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051-548 6555)	12½	½-year	1,000	1-2
Redbridge (01-478 3020)	12¼	½-year	200	6-7

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Aid to Thrift	9.20	9.45	—	—
Alliance	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs., 9.00 2 yrs., 9.50 3 months' notice
Anglia	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Bradford and Bingley	8.25	8.50	9.75	9.25 1 month's notice deposit
Bridgwater	8.25	8.50	10.00	10.50 5 yrs., 9.60 2½ yrs.
Bristol Economic	8.25	9.50	9.75	9.25 3 months' shares. Escalator shares 9.00-10.50 (1-5 years)
Britannia	8.25	8.50	9.75	10.00 4 yrs., 9.50 3 months' notice
Burnley	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Cardiff	8.25	9.50	10.50	—
Catholic	9.00	9.50	10.50	— Share a/cs 9.75 over £5,000
Chelsea	8.25	8.50	9.75	10.50 5 yrs., 9.90 1 yr., 9.55 6 months
Cheltenham and Gloucester	8.25	8.50	9.75	10.50
Cheltenham and Gloucester	—	9.50	—	— Gold Account Savings of £1,000 or more (8.50 otherwise)
Citizens Regency	—	8.75	10.00	10.75 5 yrs., 9.75 3 yrs., 9.25 1 yr.
City of London (The)	8.50	8.75	9.60	9.41 9 mth. withdraw., increment sh.
Coventry Economic	8.25	8.50	9.75	10.00 4 yrs., 9.50 3 yrs., 9.25 3 mths.
Coventry Provident	8.25	8.50	10.50	10.55 av. 5 yr., 10.00 4 yr., 9.25 3 mths.
Derbyshire	8.25	8.50	9.75	8.75 to 9.25 3 months
Ealing and Acton	8.25	9.00	—	9.65 2 years, £2,000 minimum
Gateway	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Greenwich	—	8.75	10.00	9.50 2 yrs., 9.75 3, 10.25 4, 10.75 5 yrs.
Guardian	8.25	8.75	—	10.00 3 mth., 10.50 6 mth., min. £1,000
Halifax	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Heart of England	8.25	8.50	9.75	— 3 mths. notice 9.25, 5 yrs. 10.50
Hearts of Oak and Enfield	8.25	8.75	10.25	10.00 4 yrs., 9.75 3 yrs., 9.50 2 yrs.
Hendon	8.75	9.25	—	10.25 6 months, 10.00 3 months
Huddersfield and Bradford	8.25	8.50	9.25	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs., 9.00 2 yrs.
Lambeth	9.00	9.50	11.25	11.25 5 yrs., 11.00 6 months' notice
Leamington Spa	8.35	8.60	11.50	10.10 (1 year)
Leeds Permanent	8.25	8.50	9.75	10.50 5 yrs., Optns. fm. 8.75 (6 mths.)
Leicester	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Liverpool	8.25	8.50	9.80	10.50 5 yrs., minimum £1,000
London Grosvenor	8.25	9.00	11.00	9.50 6 months' notice
Melton Mowbray	8.35	8.60	9.75	9.35 2 yrs., 10.10 4 yrs.
Mornington	9.10	9.60	—	—
National Counties	8.50	8.80	9.80	9.50 35 days' notice. Min. dep. £500 6 months 9.90
Nationwide	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.00 1 yr.
Newcastle	8.25	8.50	9.75	10.50 4 yrs., 10.00 3 yrs., 9.50 2 yrs.
New Cross	9.00	9.25	—	9.25-10.00 on share accs., depending on min. balance over 6 mths.
Northern Rock	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Norwich	8.25	8.50	10.00	9.50 3 yrs., 9.25 2 yrs., min. £500
Peckham Mutual	9.25	9.55	—	—
Peckham Permanent	9.00	9.75	11.00	—
Portman	8.25	8.50	9.75	10.50 5 yrs., 9.55 6 months' notice
Portsmouth	8.60	8.80	10.30	10.85 (5 yrs.), 10.25 (6 months)
Property Owners	9.25	9.75	11.20	11.25 4 yrs., 11.00 6 mths., 10.50 3 mth.
Provincial	8.25	8.50	9.75	9.50 5, 4, 3 yrs., 9.00 2 yrs.
Skipton	8.25	8.50	9.75	10.50 5 yrs., 9.60 wdl. 1 mth. loss int.
Sussex County	8.50	8.75	10.55	11.00-9.50 (6-2 yrs.). 9.25 2 mths. not.
Sussex Mutual	8.50	9.10	10.50	9.25-10.50 all with special options
Town and Country	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Walthamstow	8.25	8.75	9.75	9.75 6 months' notice, min. £1,000
Wessex	8.50	9.25	—	10.25 min. 3 yrs., 6 mth. notice of wdl.
Woolwich	8.25	8.50	9.75	10.50 5 yrs., 8.75 6 mths.

* Rates normally variable in line with changes in ordinary share rates.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

Adnams 8 915
All England Lawn Tennis Gnd. £50Dbs. 1981-85 £6,200 (6/5)
Ann Street Brewery 297½ 300 5 (1/5)
Aston Villa FC 875 925 £10 (6/5)
Blyth Greene Jourdain 211 12 (5/5)
Bonusbond Hldgs. 140 5 (5/5)
Booth (C.) 15 (6/5)
Brakspear (W. H.) 4¼pcMtg. £29½
Brent Invs. 420 5 30 5 (6/5)
British Uralite 6
Burrough (J.) 120
Cambridge Petroleum Royalties 290 (6/5)
Camra (Real Ale) Invs. 102 101 (6/5)
Carlton Real Ests. 24 (6/5)
Carlton Real Ests. (10p) 24½ 5½ (6/5)
Castletown Brewery 255 (6/5)
Channel Hotels and Props. 17 18 19 (5/5)
CIC Inv. (1p) 1⅛ ¼ ⅜ (6/5)
CIC Inv. (10p) 1⅛ (6/5)
Clairmace 13 (6/5)
Comcl. Bank of Wales 80 (5/5)
Computer and Systems Eng. 865 90 (6/5)
Conroy Pet. and Nat. Res. 200 5 (6/5)
Deborah Services 103 4 (6/5)
Delsenne 11½ (1/5)
Dollar Land 23 (6/5)
Edinburgh Secs. 205 6 7 9 10 (6/5)
Eldridge Pope A 285 (1/5)
Exchem 115 16 (6/5)
Exeter Building and Construction 145 (6/5)
Gaelic Oil 215
Gale (G.) 620 (5/5)
Grampian TV 42 (6/5)
GRA Prop. Tst. 12¼ ½ ¾
Guernsey Gas Light 360 (5/5)
Hemerdon Mng. and Smelting 83 7
Home Brewery 450
Intervision Video (Hldgs.) Pfd. 51
Intervision Video (Hldgs.) 7pcCnv.Pf. 185 6 8 9 90 2 8 206 (6/5)
Jayplant 9 (6/5)
Jennings Bros. 116 (1/5)
Jersey Tst. 16½ 17 (6/5)
Kenmare Oil Exploration 39
Kennedy Brookes 103 (6/5)
Mainline Elect. 3 (6/5)
Mainline Elect. 12pcCnv.Pt.Pfd.Rd. 2¼ (6/5)
Manchester Utd. FC 165 (6/5)
Nationwide Leisure 11½
Nimslo European £16.56 17.06 17.15 17.31 17.52 17.56 17.65 18.65
Nimslo European 14pcAUns.Ln. £85
Nimslo European 14pcBUns.Ln. £55.30
NMW Computers £12½ ¼ 13 (6/5)
North Sea Assets 133 4 7 5 9 (6/5)
Norton Villiers Triumph 1 (6/5)
ORE 143 7
Oldham Brewery 89
Oldham Ests. 150 ½ (6/5)
Padang Jawa Rubber 16 (5/5)
Plantation and Gen. Invs. 74 5 (1/5)
Quest Automation 184 6 7 (6/5)
Roche Plant 28½ ¼ (5/5)
Saxon Oil 45 (6/5)
Sheraton Sec. Intnl. 18 (6/5)
SPC Minerals 111 13 (6/5)
Sutton Harbour Improvement 5 (1/5)
Swan Hunter 1 (1/5)
Tom Hill 8 (5/5)
Truscon 10 (1/5)
Twinlock 11 ½ (6/5)
Twinlock 15pcLn. 1976-99 £72 ¼ (6/5)
Utd. Friendly Insce. B 224½ 6 (5/5)
Watmoughs 20 (1/5)
Webber Electro Comps. 122 (6/5)
Welsh Inds. Inv. Tst. Pfd. 170 (1/5)
Winchester London Tst. 7 (1/5)
Yolverton Invs. 58 ½ 9 60 ½ (6/5)

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

* Denotes Irish currency.

American Oil Field Systems 100 ½ 1 2 4
Aran Energy (Ir£0.20) 78 80 2
Atlantic Resources (Ir£0.25) 228 30 9 40 95*
Berkeley Exploration and Production 274 5 6 7 80
Candecca Resources 169 70 1 2 3
Eglington Oil and Gas (Ir£0.20) 138 92
Marinex Petroleum 130 2 5
Strava Romana (British) 68 70 1 2 3 4 5
Sun Oil (UK) Oil Royalty Stock 330 40

(By permission of the Stock Exchange Council)

UK MONEY MARKET

Bank of England Minimum Lending Rate 12 per cent (from March 10, 1981)

The Treasury bill rate rose by 0.0177 per cent at yesterday's tender to 11.3028 per cent and the minimum accepted bid was unchanged at £97.18. Bids at that level were met as to about 86 per cent and above in full. The £100m of bills on offer attracted bids of £423.68m and all bills offered were allotted. Next week a further £100m will be on offer, replacing a similar amount of maturities.

Day to day credit continued to be in good supply in the money market, due mainly to a very large excess of Government disbursements over revenue transfers to the Exchequer. On the other hand there was a small increase in the note circulation and a small amount of commercial bills maturing in official hands. Discount houses were *paying around 10¾ per cent for* secured call loans at the start with small amounts taken later in the day down to 1 per cent. The authorities took out some of the surplus by selling a small amount of Treasury bills direct to the discount houses.

In the interbank market weekend loans opened at 10¾-11 per cent and eased after lunch to 9-9½ per cent. Rates fell right away soon after, finishing at 1-2 per cent.

EXCHANGES AND BULLION

The dollar lost ground in currency markets yesterday but recovered from its lowest levels to finish nearer the middle of the day's range. Early trading saw the U.S. unit weaken as Eurodollar rates showed a softer tendency and the trend was con*tinued after the Swiss discount* rate was increased to 5 per cent from 4 per cent. Moves by the U.S. Federal authorities to tighten domestic liquidity in New York gave the dollar a small late boost in London. Against *the D-mark it closed at* DM 2.2530, down from Thursday's figure of DM 2.2730 but up from the day's low of DM 2.2420. Similarly against the Swiss franc it finished at SwFr 2.0525 after a low of SwFr 2.0420 and Thursday's close of SwFr 2.0760. The yen was also firmer with the dollar closing at Y217.5 compared with Y217.9. On Bank of England figures the dollar's index fell from 105.0 to 104.6.

Sterling showed little overall change in featureless pre-weekend trading. Its trade weighted index was unchanged at 98.9, *having stood at 98.8 at noon and* in the morning. Against the dollar it opened at $2.1050 and had risen to $2.1150 by noon. It reached a best level of $2.1190 and closed at $2.1160-2.1170, a rise of 1.3 cents from Thursday. *Against European currencies,* the pound tended to weaken, closing at DM 4.77 against the D.mark from DM 4.7850 and FFr 11.2925 against the French franc compared with FFr 11.3050

Gold rose $10 an ounce in the *London bullion market to close* at $487-490, its best level of the day.

THE POUND SPOT AND FORWARD

May 8	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.1050-2.1190	2.1160-2.1170	1.50-1.60c dis	−8.79	3.80-3.90dis	−7.28
Canada	2.5240-2.5396	2.5370-2.5380	1.45-1.55c dis	−7.09	4.25-4.40dis	−6.82
Nethlnd.	5.28-5.33	5.30-5.31	¾c pm-¼ dis	0.56	1½-¼ pm	0.56
Belgium	77.50-78.10	77.75-77.85	35-45c dis	−6.17	110-120 dis	−5.91
Denmark	14.98-15.09	15.03-15.05	3½-5½ore dis	−3.44	10-11⅞ dis	−2.91
Ireland	1.2975-1.3100	1.3055-1.3070	0.21-0.36p dis	−2.62	0.86-1.01dis	−2.86
W. Ger.	4.74-4.79	4.76½-4.77½	par-½pf dis	−0.63	½-1 dis	−0.63
Portugal	126.50-126.85	126.65-126.85	60-135c dis	−9.23	180-295 dis	−7.49
Spain	190.25-191.20	190.35-190.55	130-165c dis	−9.29	360-405 dis	−8.03
Italy	2,369-2,385	2,376-2,378	18½-20½ lire dis	−9.84	51¼-54¼ dis	−8.96
Norway	11.82-11.88	11.85-11.87	½ore pm-1 dis	−0.25	⅞ pm-⅜ dis	0.06
France	11.27-11.35	11.28¾-11.29¾	1½-2½c dis	−2.12	4-5 dis	−1.59
Sweden	10.22-10.26	10.23-10.25	3¾-4¾ore dis	−4.32	8½-9½ dis	3.47
Japan	457-463	460-461	2.45-1.85y pm	5.60	5.95-5.30 pm	4.88
Austria	33.65-33.90	33.88-33.73	1-5gro dis	−1.25	3-13 dis	−0.95
Switz.	4.32-4.38	4.34-4.35	1¾-¾c pm	2.07	3½-2½ pm	2.42

Belgian rate is for convertible francs. Financial franc 80.30-80.40.
Six-month forward dollar 6.60-6.70c dis, 12-month 10.00-10.20c dis.

GOLD

	May 8		May 7	
Gold Bullion (fine ounce)				
Close	$487-490	(£230¼-231¾)	$477-480	(£226¼-227¾)
Opening	$480-483	(£227½-228¾)	$478-481	(£226¾-228)
Morning fixing	$481.75	(£228.480)	$479.25	(£226.757)
Afternoon fixing	$485.75	(£229.506)	$477.75	(£226.529)
Gold Coins				
Krugerrand	$502-503	(£237-237½)	$493½-494½	(£234¼-234¾)
1/2 Krugerrand	$259¼-260¼	(£122½-123)	$254¾-255¾	(£121-121½)
1/4 Krugerrand	$132-133	(£62¼-62¾)	$132¾-133¾	(£61-61½)
1/10 Krugerrand	$54-55	(£25½-26)	$53-54	(£25-25½)
Mapleleaf	$498-499	(£235¼-235¾)	$489½-490½	(£232¼-232¾)
New Sovereigns	$122¼-123	(£57¾-58¼)	$120¼-121¼	(£56½-57)
King Sovereigns	$133-135	(£62¾-63¾)	$132-134	(£62½-63½)
Victoria Sovs.	$133-135	(£62¾-63¾)	$132-134	(£62½-63½)
French 20s	$188-192	(£88¾-90¾)	$190-193	(£90-91½)
50 pesos Mexico	$599-604	(£283-285¼)	$593-598	(£281½-284)
100 Cor. Austria	$466-471	(£220-222½)	$464-468	(£220¼-222)
$20 Eagles	$579-584	(£273½-276)	$575-580	(£273-275)

EXCHANGE CROSS RATES

May 8	PoundSterling	U.S. Dollar	Deutschem'k	Japan'se Yen	FrenchFranc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.117	4.770	460.5	11.29	4.345	5.305	2377.	2.538	77.80
U.S. Dollar	0.472	1.	2.254	217.6	5.335	2.053	2.506	1123.	1.199	36.76
Deutschemark	0.210	0.444	1.	96.54	2.367	0.911	1.112	498.3	0.532	16.31
Japanese Yen 1 000	2.172	4.596	10.36	1000.	24.52	9.436	11.52	5162.	5.510	168.9
French Franc 10	0.886	1.874	4.224	407.8	10.	3.848	4.698	2105.	2.247	68.90
Swiss Franc	0.230	0.487	1.098	106.0	2.599	1.	1.221	547.1	0.584	17.91
Dutch Guilder	0.189	0.399	0.899	86.80	2.129	0.819	1.	448.1	0.478	14.67
Italian Lira 1,000	0.421	0.890	2.007	193.7	4.751	1.828	2.232	1000.	1.068	32.73
Canadian Dollar	0.394	0.834	1.880	181.5	4.450	1.712	2.091	936.7	1.	30.66
Belgian Franc 100	1.285	2.720	6.131	591.9	14.51	5.585	6.819	3055.	3.262	100.

FT LONDON INTERBANK FIXING (11.00 a.m. MAY 8)

3 months U.S. dollars		6 months U.S. dollars	
bid 19 11/16	offer 19 13/16	bid 19 1/16	offer 19 3/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

LONDON MONEY RATES

May 8 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	1-11¼	10-11	—	—	10½-11¼	1-11	—	—	—
2 days notice	—	—	11⅜-11⅝	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	10¾-11¼	11⅞-12	—	11⅛	11½	10½-11	—	—	—
One month	12 11⅞	11 13/16-12⅛	12	13⅛-12⅞	12 7/16	12⅜	11½	11 7/16-11½	[illegible]-11 11/16	12 7/16
Two months	12 3/16-12 1/16	12⅛-12⅛	—	13-12¾	12 5/16	12½	11⅝	11⅝-11½	[illegible]-11⅝	12⅝
Three months	12¼-12⅛	12¼-12¼	12¼	13-12⅝	12⅝	[illegible]-12⅝	11⅝-11¾	[illegible]-11⅝	[illegible]	12⅝
Six months	12 7/16-12⅜	12 5/16-12½	12¼	12⅞-12½	12 11/16	12⅝	—	—	11 7/16	12⅛
Nine months	[illegible]-12¼	12⅜-[illegible]	—	13-12⅝	12¾	12¾	—	—	—	—
One year	12½-12¼	12⅝-[illegible]	12⅝-12¾	12¾-12½	12 13/16	12⅞	—	—	—	—
Two years	—	—	13	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 13-13⅜ per cent; four years 13⅜-13½ per cent; five years 13½ per cent. ⊕Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11 7/16 per cent; four-month trade bills 12 per cent.

Approximate selling rate for one-month Treasury bills 11⅜ per cent; two-months 11 5/16-11⅜ per cent; three-months 11 7/32-11¼ per cent. Approximate selling rate for one-month bank bills 11½-11 9/16 per cent; two-months 11½ per cent; three-months 11 15/32-11½ per cent; one-month trade bills 12 5/16 per cent; two-months 12⅜ per cent and three-months 12⅜ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 13 per cent from May 1, 1981. Clearing Bank Deposit Rates for sums at seven days' notice 9 per cent. Clearing Bank Rates for lending 12 per cent. Treasury Bills: Average tender rates of discount 11.3028 per cent.

CURRENCY MOVEMENTS

May 7	Bank of England Index	Morgan Guaranty Changes%
Sterling	98.9	−27.9
U.S. dollar	104.6	−0.7
Canadian dollar	87.0	−17.7
Austrian schilling	113.8	+22.3
Belgian franc	106.8	+9.8
Danish kroner	87.6	−11.5
Deutsche mark	118.5	+39.4
Swiss franc	131.9	+74.1
Guilder	110.0	+14.6
French franc	84.5	−10.7
Lira	58.4	−55.8
Yen	143.9	+38.9

Based on trade weighted changes from Washington agreement December, 1971 Bank of England Index (base average 1975=100).

EURO-CURRENCY INTEREST RATES (Market closing Rates)

May 8	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	10⅝-10⅞	18¼-18½	18-19	10¼-10½	4-4½	10 [illegible]	12¼-12½	21-23	15½-16½	5¾-6
7 days' notice	11-11¼	18½-18¾	18-19	10¼-10½	6-6½	11½-11¾	13¼-13½	21-22½	15-17	5⅞-5⅝
Month	12-12⅛	20⅜-20⅝	18¾-19⅛	11⅛-11⅜	9 [illegible]	12 [illegible]	13⅝-13⅞	21⅝-22⅝	17¼-18¼	6½-6¾
Three months	12 [illegible]	19½-19¾	18¾-19⅛	11⅝-11⅞	9 [illegible]	12 [illegible]	13¾-14	21-21¾	17¾-18¾	7 [illegible]
Six months	12⅜-12½	18⅞-19⅛	18⅝-18¾	11⅝-11⅞	9¾-9⅞	12 [illegible]	13¾-14	20½-21¼	17¾-18¾	7 [illegible]
One Year	12½-12¾	17½-17¾	—	11⅞-12	9⅝-9¾	12 [illegible]	13¾-14	20-20½	17¼-18¼	8 [illegible]

SDR linked deposits: one-month 15 9/16-15 11/16 per cent; three-months 15-15⅛ per cent; six-months 14 13/16-14 15/16 per cent; one-year 14⅜-14⅞ per cent.

ECU linked deposits: one-month 13½-13⅞ per cent; three-months 13 13/16-14 1/16 per cent; six-months 13 13/16-14 1/16 per cent; one-year 13½-13⅞ per cent.

Asian $ (closing rates in Singapore): one-month 20⅜-20⅝ per cent; three-months 19¾-19⅞ per cent; six-months 19⅛-19⅜ per cent; one-year 18-18¼ per cent. Long-term Eurodollar two-years 16⅝-17 per cent; three-years 16⅝-16⅞ per cent; four-years 16½-16¾ per cent; five-years 16½-16¾ per cent; nominal closing rates. Short-term rates are call for U.S. dollars, Canadian and Japanese yen; others two-days' notice.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 19.25-19.35 per cent; three-months 19.15-19.25 per cent; six-months 18.80-18.90 per cent; one-year 17.50-17.60 per cent.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU May 8	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7985	41.4324	+1.55	+1.41	±1.5361
Danish Krone	7.91917	7.99561	+0.97	+0.83	±1.6413
German D-Mark	2.54502	2.53869	−0.25	−0.39	±1.1366
French Franc	5.99526	6.02679	+0.53	+0.39	±1.3638
Dutch Guilder	2.81318	2.82052	+0.26	+0.12	±1.5159
Irish Punt	0.685145	0.693196	+1.18	+1.04	±1.6688
Italian Lira	1262.92	1266.24	+0.26	+0.26	±4.1116

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

May 8	£	$		£ Note Rates
Argentina Peso	6734-6754	3178-3188	Austria	33.45-33.80
Australia Dollar	1.8490-1.8510	0.8740-0.8746	Belgium	79.70-80.50
Brazil Cruzeiro	174.48-175.48	82.53-82.94	Denmark	14.90-15.05
Finland Markka	9.03-9.05	4.2690-4.2710	France	11.23-11.32
Greek Drachma	116.088-118.008	54.55-55.85	Germany	4.74-4.78
Hong Kong Dollar	11.44-11.46	5.4125-5.4175	Italy	2330-2385
Iran Rial	164.00*	77.50*	Japan	459-465
Kuwait Dinar(KD)	0.581-0.587	0.2758-0.2773	Netherlands	5.27½-5.31½
Luxembourg Frc.	77.75-77.85	36.75-36.78	Norway	11.77-11.87
Malaysia Dollar	4.89-4.90	2.3130-2.3180	Portugal	123½-132
New Zealand Dlr	2.3800-2.3820	1.1240-1.1250	Spain	186¼-196½
Saudi Arab. Riyal	7.05-7.11	3.3605-3.3630	Sweden	10.20-10.30
Singapore Dollar	4.4950-4.5050	2.1260-2.1310	Switzerland	4.32-4.36
Sth African Rand	1.7565-1.7585	0.8300-0.8310	United States	2.10¾-2.12¼
U.A.E. Dirham	7.71-7.77	3.6715-3.6755	Yugoslavia	76½-82

Rate given for Argentina is free rate. * Selling rate.

U.K. CONVERTIBLE STOCKS 9/5/81

Statistics provided by *dataSTREAM International*

Name and description	Size (£m)	Current price	Terms*	Conversion dates⊕	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Div.♡	Cheap(+) Dear(−)◇ Current
British Land 12pc Cv. 2002	9.71	324.00	333.3	80-97	3.7	0.7	1.3	− 5 to 1	18.4	86.3	21.2	+20.0
Hanson Trust 6½pc Cv. 88-93	3.02	139.00	57.1	76-82	4.7	1.1	− 1.1	− 7 to −0	7.2	3.1	− 2.9	− 1.8
Slough Estates 10pc Cv. 87-90	5.44	276.00	187.5	78-85	3.7		− 1.2	− 5 to 1	28.9	32.5	1.3	+ 2.5
Slough Estates 8pc Cv. 91-94	24.88	129.00	78.0	80-91	6.3	4.7	11.0	7 to 19	28.5	48.4	17.1	+ 6.1

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ⊕ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

LONDON STOCK EXCHANGE

Equities reverse recent downturn from record highs
Gilts recover from 13-month lows—No new tap stock

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Apr. 10	Apr. 29	Apr. 30	May 11
May 1	May 14	May 15	May 26
May 18	May 28	May 29	June 8

* "New time" dealings may take place from 9.30 am two business days earlier.

The week's slide in leading shares from recent record highs was reversed yesterday as London equity markets ended the first leg of the trading Account. A technical correction of the previous four-day downturn had been expected and values were poised to respond to demand, particularly bear-covering.

In the event, covering of short positions was of modest proportions and short-lived, but most leading industrials still made progress in the wake of Engineerings. The sector benefited from the GKN chairman's quiet optimism about future prospects and Whessoe's strong half-yearly profit recovery was an added encouraging pointer. Subsequent institutional inquiries underpinned the overall firmer equity trend, but the tone softened soon after midday.

Unconfirmed reports about cuts in Libyan and Syrian oil exports drew attention to Oils, one of the few sectors to close near the day's best; the remainder settled a penny below the highest. The FT Industrial Ordinary share index, which in a four-day spell had fallen over 32 points, recorded a gain of 6.1 at noon before ending a net 4.7 up at 569.3, compared with the previous week's all-time peak of 597.3.

Gilt-edged securities, too enjoyed a respite from the downward pressure which earlier in the week had taken quotations to thirteen-month lows. Renewed investment demand resulted in rises extending to ⅝ at both ends of the market and, in the absence yesterday of much-rumoured new Government funding, a shade more was gained after the official, 3.30 pm, close. A lull in the recent pressure on £40-paid Exchequer 12¼ per cent 1990 contributed to the market's firmer tone; recent U.S. selling is reported to have been an undermining influence.

Among Corporations, the recently-issued Leeds 13½ per cent 2006 regained ⅝ to 7¼, in £10-paid form, while the similarly dated Swansea 13¾ per cent stock (£25-paid) picked up ½ at 23¼.

Traded options attracted a total of 1,283 contracts for a short week's daily average of 1,394.

Allegheny International, formerly Allegheny Ludlum, the U.S. consumer and industrial products manufacturer, made its official London debut at £21⅞.

The second bid development among Australian issues in just over a week provided most of the interest in the banking sector. Commercial Bank of Sydney were marked up 120 to 360p on news of the surprise bid from the National Bank of Australasia, 3 dearer at 193p. Awaiting further news of the bid discussions with Australia and New Zealand Bank, Commercial Bank of Australia advanced 45 more for a rise on the week of 55 at 285p; ANZ improved 3 to a 1981 peak of 258p. Bank of New South Wales rose 10 in sympathy to 193p. Apart from Clive, which hardened a penny to 43p on an investment recommendation. Discounts drifted lower. Union lost 10 to 480p, Gerrard and National 7 to 285p and Cater Ryder 4 to 100p; Cater's annual results were due on Wednesday. Sterling Credit made progress reflecting the success of the rights issue; the Ordinary adding 2 at 13p and the 8 per cent Convertible rising 25 to 205p.

General Accident cheapened 4 more for a decline on the week of 24 at 330p with sentiment still unsettled by the Board's profits warning. Hambro Life closed a peny off at 340p; the price in yesterday's issue was incorrect.

Regional counters held the limelight amongst Breweries. Matthew Brown continued to draw strength from the mid-term statement and advanced 8 more to 176p. Higson also reported interim figures and added 3 at 73p, but the first-half statement from Vaux was deemed disappointing and the shares fell 5 to 176p. Feelings that Davenports may benefit from the closure of Allied's Ansells brewery lifted the former 8 to 124p; the interim results are due on Tuesday.

Tricoville please

Leading Building issues regained a certain amount of composure following the previous day's shake-out. Blue Circle rallied 4 to 480p, while Ready Mixed Concrete, 200p, and BPB, 268p, improved a couple of pence apiece. Barratt Developments, however, shed 8 to 224p on the £22m rights issue proposal. Elsewhere. Breedon and Cloud Hill Lime Works gained 9 to 114p following Press comment, but Pochins held at 250p despite the increased interim profits. Dealings in Milbury were suspended at 66p following the passing of ultimate control of the company to Gasco Investments, the controversial bidder for Saint Piran.

Interest in ICI was at a low ebb and the close was unchanged at 308p, but Fisons came in for support and firmed 9 to 168p.

Leading Stores lacked demand and movements were usually restricted to a couple of pence either way. In contrast, secondary issues attracted selective support. Poly Peck remained in favour and advanced to 295p before settling for a net gain of 13 at 288p, up 26 on the week. In sympathy, Cornell Dresses rose 8 for a gain on the week of 25 at 151p. Dixons Photographic rallied 12 to 182p, but Peters, firm of late on the company's property interests, met profit-taking and eased 6 to 132p. Interim results from Tricoville pleased the market and the close was 8 better at 76p.

Dull the previous day on British Telecom's decision to prune its investment programme, Electricals rallied well on technical considerations. Standard Telephones and Cables retrieved 25 to 485p, Ferranti picked up 15 at 500p, while MK put on 10 to 225p and Bowthorpe gained 7 to 167p. Lec Refrigeration rose 12 to 172p and Electrocomponents 10 to 775p. Among the leaders, Plessey failed to hold an early rise of 5 and closed unaltered at 790p. BICC advanced 9 to 289p. Racal put on 6 to 239p and GEC 5 to 665p.

GKN rose 6 to 178p following the optimistic tenor of the chairman's annual statement, while the Engineering sector as a whole was given a further boost by the strong first-half profits recovery report by Whessoe, which jumped 17 to a 1981 peak of 113p. Clayton Son added 7 to 84p on an investment recommendation. Hawker rose 6 to 328p; the price in yesterday's issue was incorrect.

Whatman Reeve good

Selected Food issues took a firmer line. Demand ahead of next Tuesday's interim results lifted British Sugar 12 to 315p, while RHM improved 1½ to 52½ following Press comment.

Hotels and Caterers feature Ladbroke which rose 9 to 320p on the company's plans to launch a property development division in the U.S.

Whatman Reeve Angel continued to attract support in the wake of the sale of a loss-making subsidiary and closed a further 13 up at 130p. Elsewhere in miscellaneous industrials, improvements of around 7 were seen in BTR, 470p, Portals, 490p, Renwick, 86p and United Carriers, 142p. Norman Hay added 5 to 66p on further consideration of the results. ICL closed easier at 44p; sentiment in the late trade was unaffected by news of the talks with Sperry Corporation. Of the mixed leaders, Pilkington shed 8 to 310p but Unilever hardened 5 to 525p.

London Pavilion jumped 200 to 900p in a thin market following the agreement with the GLC for the redevelopment of the London Pavilion island site in the West End.

Dunlop continued to attract speculative interest in the wake of the annual report and added 3 to 78p, after 79p. Distributors trended firmer where changed. British Car Auction rallied 3 to 82p with the nil-paid firming 5¼ to 18½p premium.

Secondary issues provided the main points in Properties. Trust Securities became a good market and jumped 24 to 364p, while Rosehaugh advanced 18 to 308p on revived speculative interest. Thames Investment improved 8 to 242p on the pooling of the company's housebuilding interests with Allied Plant, while renewed support left Dares Estates 1½ dearer at 27p. Dealings in Winston Estates were suspended at 73p following a bid approach.

Oils improve

Oils took a distinct turn for the better on Wall Street influences and unconfirmed reports of Middle East production cutbacks. British Petroleum rose 12 to 400p and Shell 8 to 392p. Gains of around 20 were marked against Lasmo, 602p, and Ultramar, 462p, while Sovereign put on 17 to 330p. Sun UK advanced 50 to 390p. Elsewhere, Global Natural Resources touched 995p before closing 70 up at 980p as speculative interest revived.

Textiles generally retained the overnight levels, although Illingworth Morris stood out with a gain of 3 to 20p; the A closed 1¼ to the good at 14½p. Stewart Nairn provided a late feature, falling 2½ to 8p on news that Bargold Investments has sold its recently-acquired near-13 per cent stake in the company.

Tobaccos took on a firmer stance. Bats closed 8 up at 358p, while revived speculative buying lifted Rothmans 3½ to 68p.

RTZ advance

Interest in mining markets continued to centre on Rio Tinto-Zinc as a further wave of speculative buying interest, initially emanating from the Continent, saw the company's shares surge ahead in afternoon trading to close 26 higher at 554p. The latest buying interest was fuelled by rumours circulating in the market of a large share stake being built up by a major international mining group—with Minorco widely tipped as the recent buyer. Yesterday's sharp rise in RTZ was accentuated by a shortage of stock.

South African Golds also made good progress in late dealings as short covering and American buying followed the rise of $10 in the bullion price to $488.50 an ounce. The Gold Mines index responded with a gain of 3.9 to 355.1.

In the cheaper-priced issues, East Daggafontein met profit-taking and fell 10 to 142p following news that South Africa's Messina has acquired a 62 per cent stake in the Bonanza mine in which East Daggafontein has a 23 per cent holding. Messina added 5 to 300p following the half-year results and the increased interim dividend.

South Crofty were changing hands at 24p prior to dealings being suspended, following the Gasco bid for St. Piran going unconditional; the latter has a 58.5 per cent holding in South Crofty.

Euro MPs urge EEC aid for Chunnel

THE European Parliament yesterday called for Common Market aid for a Channel Tunnel. It backed a resolution urging that the Chunnel project should be funded from Brussels as part of the EEC's transport policy.

The British Government is still considering the potential of a single-bore rail tunnel suggested by British and French railways, and has not yet approached the EEC for aid.

FINANCIAL TIMES STOCK INDICES

	May 8	May 7	May 6	May 5	May 1	Apr. 30	A year ago
Government Secs.	67.05	66.74	66.79	67.23	68.58	68.90	67.47
Fixed Interest	69.47	69.39	69.51	70.12	70.96	70.95	67.35
Industrial Ord.	569.3	564.6	570.6	576.9	591.9	597.3	436.5
Gold Mines	355.1	351.2	351.7	351.6	356.5	345.7	298.3
Ord. Div. Yield	5.79	5.84	5.77	5.70	5.57	5.51	8.14
Earnings, Yld. % (full)	11.43	11.56	11.36	11.25	11.00	10.88	19.93
P/E Ratio (net) (*)	10.95	10.82	11.02	11.15	11.39	11.50	6.09
Total bargains	18,383	21,594	23,760	26,448	26,422	28,244	19,795
Equity turnover £m.	—	131.21	148.55	163.57	172.06	222.77	118.46
Equity bargains	—	16,570	17,543	21,343	21,936	24,435	16,742

10 am 567.4. 11 am 569.7. Noon 570.7. 1 pm 569.7.
2 pm 569.0. 3 pm 568.9.
Latest Index 01-243 8026.
*Nil=10.11.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS

	1981 High	1981 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (20/3)	66.74 (7/5)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.01 (20/3)	69.39 (7/5)	150.4 (28/11/47)	50.53 (3/1/75)
Ind.Ord.	597.3 (30/4)	446.0 (14/1)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	421.1 (16/1)	281.4 (29/1)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	May 7	May 6
—Daily		
Gilt Edged Bargains	191.4	222.5
Equities Bargains	100.9	113.7
Value	265.2	300.2
5-day Avrge.		
Gilt Edged Bargains	192.6	186.5
Equities Bargains	130.7	138.3
Value	338.8	352.4

NEW HIGHS AND LOWS FOR 1981

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1981.

NEW HIGHS (72)
BRITISH FUNDS (2)
CANADIANS (1)
BANKS (4)
BEERS (5)
BUILDINGS (3)
CHEMICALS (2)
DRAPERY & STORES (6)
ELECTRICALS (4)
ENGINEERING (6)
FOODS (1)
INDUSTRIALS (11)
MOTORS (3)
NEWSPAPERS (3)
PAPER (2)
PROPERTY (2)
SHOES (1)
TEXTILES (2)
TRUSTS (9)
OIL & GAS (2)
OVERSEAS TRADERS (1)

NEW LOWS (11)
CORPORATION LOANS (3)
Bath 11¼pc 1985 Burnley 13pc 1987
Birmingham 12½pc 1985
BANKS (2)
Garrard & National Union Discount
ELECTRICALS (1)
Highland Elec.
INDUSTRIALS (1)
Pitney Bowes Ln.
PROPERTY (1)
Lon. Shop Prop.
OIL & GAS (1)
Hunting Petroleum
MINES (2)
West Coast S.P.O. Minerals

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
[illegible]	258	+2	Plessey	290	—
Dunlop	75	+3	Polly Peck	298	+13
GEC	665	+5	Reed International	238	+3
Ladbroke	320	+9	RTZ	554	+26
LASMO	602	+22	Sterling Credit	13	+2
P. & O. Defd.	145	−1	Ultramar	462	+19

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	91	1	5	117	195	76
Corpns. Dom. & Foreign Bonds	19	8	40	23	88	157
Industrials	311	190	867	748	1,703	3,022
Financials & Props.	166	62	268	268	744	972
Oils	34	13	36	113	112	107
Plantations	4	—	19	12	17	63
Mines	40	48	78	157	230	277
Others	57	38	78	177	253	263
Totals	722	360	1,391	1,615	3,342	4,937

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section

	Equity groups & sub-sections	Fri., May 8, 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs., May 7 Index No.	Wed. May 6 Index No.	Tues. May 5 Index No.	Fri. May 1 Index No.	Year ago (approx.) Index No.	1981 High	1981 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (214)●	349.55	+1.0	11.01	4.53	11.23	346.18	351.46	354.96	362.16	237.46	364.69 (24/4)	272.28 (15/1)	364.69 (24/4/81)	50.71 (13/12/74)
2	Building Materials (25)	317.26	−0.1	14.16	5.59	8.47	317.66	327.58	329.97	334.34	233.48	334.34 (1/5)	236.82 (13/1)	334.34 (1/5/81)	44.27 (11/12/74)
3	Contracting, Construction (28)	584.61	+0.1	15.66	4.68	7.72	583.73	596.90	600.15	608.12	351.78	610.27 (30/4)	403.39 (8/1)	610.27 (30/4/81)	71.48 (2/12/74)
4	Electricals (28)●	1055.97	+1.3	8.25	2.52	15.07	1041.99	1051.60	1063.84	1080.20	624.72	1127.15 (22/4)	888.13 (15/1)	1127.15 (22/4/81)	84.71 (25/6/62)
5	Engineering Contractors (11)	494.05	+0.9	12.80	5.29	9.57	489.54	493.35	490.03	506.22	278.65	512.20 (30/4)	374.44 (20/1)	512.20 (30/4/81)	64.39 (2/1/75)
6	Mechanical Engineering (70)●	218.90	+1.1	12.95	5.59	9.68	216.59	219.77	221.67	228.06	158.11	230.26 (24/4)	162.47 (15/1)	230.26 (24/4/81)	45.43 (6/1/75)
8	Metals and Metal Forming (13)	175.10	+1.6	9.01	6.98	14.50	172.32	174.12	176.96	182.17	164.05	182.17 (1/5)	127.24 (14/1)	192.29 (4/5/79)	43.65 (6/1/75)
9	Motors (21)	109.76	+1.0	7.77	6.98	19.91	108.67	109.32	110.98	112.76	103.99	112.76 (1/5)	84.67 (23/1)	170.59 (15/1/69)	19.91 (6/1/75)
10	Other Industrial Materials (18)	371.14	+1.3	11.15	5.55	10.78	366.37	372.80	377.52	388.57	0.00	394.56 (24/4)	277.55 (15/1)	394.56 (24/4/81)	277.55 (15/1/81)
21	CONSUMER GROUP (195)	284.77	+0.6	12.81	5.56	9.52	283.06	286.54	287.99	294.41	215.94	294.75 (30/4)	227.50 (14/1)	294.75 (30/4/81)	61.41 (13/12/74)
22	Brewers and Distillers (20)	307.87	+1.1	15.07	5.95	7.88	304.62	309.13	312.50	322.09	278.35	322.09 (1/5)	244.42 (13/1)	322.09 (1/5/81)	69.47 (13/12/74)
25	Food Manufacturing (21)	257.79	+0.7	14.82	6.12	8.15	255.92	259.92	261.41	269.21	191.66	269.21 (1/5)	204.17 (14/1)	269.21 (1/5/81)	59.67 (11/12/74)
26	Food Retailing (14)	536.96	+0.1	9.25	3.27	12.76	536.20	548.56	546.62	556.21	300.52	556.21 (1/5)	440.89 (11/3)	556.21 (1/5/81)	54.25 (11/12/74)
27	Health and Household Products (7)	302.34	+0.4	8.93	4.74	13.31	301.19	305.12	305.65	313.43	186.29	315.47 (30/4)	245.38 (14/1)	315.47 (30/4/81)	175.38 (28/5/80)
29	Leisure (22)	431.45	+0.2	11.75	5.21	10.11	430.56	437.92	440.80	448.77	291.79	448.77 (1/5)	327.38 (16/1)	448.77 (1/5/81)	54.83 (9/1/75)
32	Newspapers, Publishing (12)	525.61	+1.5	16.01	5.36	8.19	517.70	518.73	516.08	520.13	402.69	525.61 (8/5)	419.04 (15/1)	525.61 (8/5/81)	55.08 (6/1/75)
33	Packaging and Paper (14)	153.01	+0.7	17.45	7.54	6.73	151.94	153.52	156.31	161.79	130.08	161.79 (1/5)	108.85 (14/1)	161.79 (1/5/81)	43.46 (6/1/75)
34	Stores (44)	284.58	+0.3	10.27	4.44	12.74	283.71	286.52	287.40	292.70	212.71	294.06 (30/4)	238.15 (15/1)	294.06 (30/4/81)	52.63 (6/1/75)
35	Textiles (22)	166.14	—	12.13	7.57	11.30	166.14	167.36	170.54	171.73	123.74	172.84 (30/4)	122.37 (19/1)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	261.21	+1.8	20.17	9.50	5.78	256.58	255.37	254.47	257.44	209.03	265.71 (30/4)	193.57 (19/1)	339.16 (2/8/72)	94.34 (13/6/62)
39	Other Consumer (16)	306.90	+0.4	12.16	6.27	10.68	305.60	308.02	309.57	311.40	0.00	311.40 (1/5)	231.28 (4/2)	311.40 (1/5/81)	231.28 (4/2/81)
41	OTHER GROUPS (79)	239.70	+0.3	12.95	6.29	9.49	239.03	242.01	243.75	248.42	202.80	249.19 (30/4)	203.40 (13/3)	249.19 (30/4/81)	58.63 (6/1/75)
42	Chemicals (15)	303.82	+0.2	10.60	6.79	11.96	303.31	304.31	307.74	316.46	0.00	320.04 (30/4)	235.35 (13/3)	329.77 (4/5/79)	71.20 (1/12/74)
44	Office Equipment (6)	119.43	+0.4	15.44	7.01	7.64	118.93	120.59	120.94	123.40	110.33	129.79 (22/4)	93.19 (14/1)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping and Transport (13)	602.25	−0.2	14.88	6.39	7.99	603.39	625.75	630.24	637.13	504.55	644.76 (24/4)	518.82 (15/1)	644.76 (24/4/81)	90.80 (29/6/62)
46	Miscellaneous (45)	301.84	+0.6	14.34	5.49	8.56	300.16	304.25	305.32	308.77	244.47	308.77 (1/5)	249.71 (19/1)	308.77 (1/5/81)	60.39 (6/1/75)
49	INDUSTRIAL GROUP (488)●	300.92	+0.7	12.16	5.27	10.09	298.83	302.84	305.00	311.45	225.53	312.53 (30/4)	241.24 (15/1)	312.53 (30/4/81)	59.01 (13/12/74)
51	Oils (12)	832.98	+2.7	21.40	6.76	5.18	810.75	822.75	809.61	818.17	715.63	923.71 (2/1)	755.27 (7/4)	1065.24 (19/11/80)	87.23 (29/5/62)
59	500 SHARE INDEX●	343.38	+1.1	13.85	5.54	8.59	339.75	344.40	345.42	352.08	264.42	352.08 (1/5)	290.43 (14/1)	352.08 (1/5/81)	63.49 (13/12/74)
61	FINANCIAL GROUP (118)●‡	255.55	+0.2	—	5.55	—	255.05	256.37	258.16	262.50	201.62	264.63 (24/4)	227.09 (19/1)	264.63 (24/4/81)	55.88 (13/12/74)
62	Banks (6)	255.78	+0.6	36.17	7.09	3.22	254.30	253.89	252.48	258.46	212.57	267.33 (24/4)	220.84 (11/3)	288.32 (20/7/72)	62.44 (12/12/74)
63	Discount Houses (10)	295.53	−2.1	—	6.88	—	301.75	301.46	304.30	304.47	243.20	314.03 (20/3)	290.51 (15/1)	314.03 (20/3/81)	81.40 (10/12/74)
64	Hire Purchase (4)	263.00	—	8.55	4.72	16.17	263.00	265.94	265.94	265.03	207.20	274.53 (25/3)	194.82 (8/1)	433.74 (4/5/72)	38.83 (11/12/74)
65	Insurance (Life) (10)●	253.42	—	—	5.90	—	253.43	255.22	258.43	264.48	181.69	274.72 (2/4)	222.74 (7/1)	274.72 (2/4/81)	44.88 (2/1/75)
66	Insurance (Composite) (9)	162.09	−0.6	—	7.58	—	163.02	163.92	167.99	171.33	131.74	172.74 (9/4)	142.06 (19/1)	183.32 (18/9/80)	43.96 (13/12/74)
67	Insurance Brokers (8)‡	380.20	—	11.57	6.06	11.89	380.18	381.70	380.53	387.57	297.35	387.57 (1/5)	294.21 (20/1)	387.57 (1/5/81)	65.86 (16/12/74)
68	Merchant Banks (13)	158.42	−0.1	—	5.05	—	158.62	159.92	160.11	160.14	105.03	161.27 (27/4)	143.07 (20/1)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (48)	497.26	+0.9	3.12	2.61	44.15	493.07	497.74	500.94	507.50	397.63	517.77 (2/4)	435.73 (16/1)	517.77 (2/4/81)	56.01 (20/4/65)
70	Miscellaneous (10)	169.45	−0.4	18.68	6.11	6.51	170.06	170.68	170.72	171.89	128.27	180.91 (2/3)	165.30 (19/1)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (109)	308.23	+0.6	—	5.04	—	306.26	310.07	311.98	316.13	216.69	318.10 (24/4)	271.01 (23/1)	318.10 (24/4/81)	71.63 (13/12/74)
81	Mining Finance (3)	261.48	+3.0	13.11	5.13	8.94	253.90	253.94	253.69	256.70	183.34	261.78 (30/4)	200.76 (6/2)	277.15 (30/10/80)	66.31 (30/9/74)
91	Overseas Traders (20)	473.73	+0.1	11.34	6.15	10.79	473.02	476.38	479.47	483.95	375.91	483.97 (27/4)	420.28 (14/1)	483.97 (27/4/81)	97.57 (6/1/75)
99	ALL-SHARE INDEX (750)●‡	324.85	+0.9	—	5.52	—	321.90	325.62	326.88	332.77	249.28	332.77 (1/5)	278.20 (14/1)	332.77 (1/5/81)	61.92 (13/12/74)

FIXED INTEREST

	PRICE INDICES	Fri., May 8	Day's change %	Thurs., May 7	xd adj. today	xd adj. 1981 to date
	British Government					
1	5 years	107.52	+0.31	107.18	—	4.17
2	5-15 years	107.97	+0.47	107.46	—	4.00
3	Over 15 years	110.63	+0.45	110.13	—	4.93
4	Irredeemables	120.08	+0.59	119.38	—	6.23
5	All stocks	108.37	+0.42	107.92	—	4.34
6	Debentures & Loans	86.48	+0.21	86.30	—	3.76
7	Preference	67.09	—	67.09	—	2.88

	AVERAGE GROSS REDEMPTION YIELDS		Fri., May 8	Thurs., May 7	Year ago (approx.)	1981 Highs	1981 Lows
	British Government						
1	Low	5 years	12.05	12.12	12.32	12.13 (6/5)	11.20 (20/3)
2	Coupons	15 years	12.66	12.73	12.24	12.73 (7/5)	11.86 (20/3)
3		25 years	12.78	12.85	12.24	12.85 (7/5)	11.88 (6/1)
4	Medium	5 years	13.87	13.96	14.18	14.00 (6/5)	12.91 (20/3)
5	Coupons	15 years	14.37	14.43	13.91	14.43 (7/5)	13.32 (20/3)
6		25 years	13.97	14.02	13.74	14.02 (7/5)	13.83 (20/3)
7	High	5 years	13.81	13.93	14.27	14.00 (6/5)	12.93 (20/3)
8	Coupons	15 years	14.54	14.59	14.19	14.59 (7/5)	13.54 (20/3)
9		25 years	14.16	14.20	11.33	14.21 (6/5)	13.15 (20/3)
10	Irredeemables †		12.17	12.23	11.32	12.23 (7/5)	11.35 (20/3)
11	Debs & Loans	5 years	14.63	14.72	14.74	14.81 (30/3)	13.80 (27/3)
12		15 years	14.78	14.81	14.64	14.81 (7/5)	14.16 (27/3)
13		25 years	14.78	14.81	14.53	14.81 (7/5)	14.25 (27/3)
14	Preference †		14.75	14.75	15.78	14.75 (8/5)	14.29 (27/3)

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Miscellaneous Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	128.20	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 26½p.
● Corrected indices for May 7. ‡ Corrected indices for May 6.

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

[illegible]

NOTES

[illegible]

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Am. Gth. Tst.	61.6	66.2	+0.6	2.19
Abbey Capital	51.8	56.0	+0.4	[illegible]
Abbey General	60.4	65.3	+0.7	4.70
Abbey Gilt & F.I. Tst.	103.8	109.3	+0.2	11.99
Abbey Income	39.7	42.9	+0.2	8.36
Abbey W'w.Bd.Tst.	95.2	100.7	−0.4	6.65
Abbey Inv. Tst. Fd.	52.4	57.7	−0.1	4.16
Equitas Prog. Tst.	85.7	92.6	+0.7	4.42

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt Trust	82.9	87.2	+0.3	13.00

Allied Hambro Ltd. (a) (g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds

Allied 1st	95.9	102.6	+0.8	5.46
Brit. Inds. Fund	83.4	89.2	+0.8	5.72
Growth & Income	54.7	58.5	+0.5	4.62
Elect. & Ind. Dev.	48.1	51.5	+0.6	4.85
Allied Capital	101.9	108.9	+0.9	4.08
Hambro Fund	142.6	152.4	+1.1	5.45
Hambro Acc. Fund	194.0	207.6	+2.6	3.95

Income Funds

High Yield Fd.	73.3	78.4	+0.2	7.65
High Income	86.3	92.3	+0.3	6.95
Equity Income Fd.	49.6	53.1	+0.2	6.89
Govt. Secs.	24.3	24.9	+0.1	12.45

International Funds

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 4931

Cres. Amer. Fd.	44.4	47.9	+0.4	0.52
Cres. Internat'l.	88.0	95.0	+0.3	1.64
Cres. High. Dist.	46.9	50.6		9.39
Cres. Reserves	53.9	58.2	+0.5	4.05
Cres. Tokyo	37.2	40.1	+0.2	0.87

Darlington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324

Total Perf. Unit Tst.	23.6	25.0		9.05

Discretionary Unit Fund Managers
36/38 New Broad St, EC2M 1NU. 01-638 4485

Disc. Inc. April 30	266.9	284.6		4.60

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	20.7	22.9		4.37
Gt. Winchester O'seas	30.2	33.3		3.79

For Emson and Dudley see Robert Fraser Tst. Mngmt.

Equity & Law Un. Tr. M. (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	95.2	100.2	+0.8	4.32

Fidelity International Management Ltd.
62-65 Queen St, London EC4 1AD 01-248 4891

American (z)	40.8	43.9	+0.8	0.54
Ameri.Spec.Sits. (z)	29.1	31.3	+0.3	0.28
Gilt + Fixed Int.	24.6	25.6		12.27
Growth + Income	35.9	38.7	+0.2	6.37
Maximum Inc. Eq. Tst.	31.1	33.5	+0.1	8.03
Special Sits.	43.7	47.0	+0.2	1.61

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Tst.

M & G Group (y)(c)(z)

INSURANCE PROPERTY BONDS

OFFSHORE & OVERSEAS FUNDS

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99⅞	97¾	Exch. 8¼pc 1981	99⅞xd	......	8.27	11.98
99⅞	97¼	Exch. 9½pc 1981	99⅞	+⅛	9.54	11.44
97⅝	93¾	Exch. 3pc 1981	97⅝	+⅛	3.07	11.74
99⅞	99⅛	Treas. Variable '81‡‡	99⅞xd	......	13.45	12.23
100⅞	99¼	Exch. 12¾pc 1981‡‡	100⅝xd	+⅛	12.67	11.47
97⅝	95⅞	Treas. 8½pc '80-82‡‡	97¾	+⅛	8.69	11.94
95	91⅞	Treasury 3pc '82‡‡	94¼	......	3.18	10.96
102⅞	100¼	Treasury 14pc '82‡‡	101⅝	+⅛	13.77	11.82
99	98⅞	Treas. Variable '82‡‡	98⅞	......	11.93	12.91
95¼	93⅞	Treasury 8¼pc '82	95¼	+⅛	8.66	12.79
96⅞	93⅞	Exch. 9¼pc 1982	95⅝	+⅛	9.69	12.97
94⅞	92⅝	Exch. 8¾pc 1983	94⅛	+⅛	9.29	12.76
89¼	84⅞	Exch. 3pc 1983	88½	+⅛	3.38	10.19
99⅜	97⅝	Treasury 12pc 1983‡‡	97⅞	+¼	12.27	13.36
98½	96¼	Treas. Variable '83‡‡	98½xd	+⅛	13.48	12.68
94⅛	92¼	Treasury 9¾pc '83	92¾	+⅛	9.97	13.15
101⅞	99⅞	Exch. 13½pc '83	100¼xd	+¼	13.46	13.37
94⅛	92¼	Exch. 10pc 1983	93⅛xd	+⅛	10.73	13.27
87¼	84½	Funding 5½pc '82-84‡‡	85⅞	+⅛	6.40	11.77
96¼	94½	Exch. 11¼pc 1984	95¾	+½	11.81	13.31
103⅞	100⅝	Exchequer 14pc 1984	101⅜xd	+⅝	13.81	13.44
80⅝	78½	Exch. 3pc 1984	78⅞	+¼	3.80	11.23
98⅝	95½	Treasury 12pc 1984	96¼	+½	12.46	13.37
107¼	104¼	Treasury 15pc 1985	104⅞	+⅝	14.30	13.29

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

INSURANCE—Continued

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCE

PROPERTY—Continued

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TRUSTS, FINANCE, LAND

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OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—Continued

Australian

1981 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
40	32	Acmex 50c	40	......	Q2.5c	—	3.3
23	14	ACM 20c	17	......	—	—	—
21	14	Argosy Gold NL 25c	17	......	—	—	—
212	137	Bond Corp.	179	−3	Q7½c	1.9	2.1
102	76	Bougainville 1 Kina	90	......	Q26.2c	1.8	15.1
302	214	CRA 50c	232	+1	Q15c	1.7	4.2
25	17½	Canada Northwest	18	......	—	—	—
35	17	Carr Boyd 20c	18	......	—	—	—
415	80	Central Pacific	135	−8	—	—	—
35	35	Cns. Gold Mn. N.L. 50c	35	......	—	—	—
47	33	Cultus Pacific N.L.	34	......	—	—	—
32	22	Eagle Corp. 10c	25	......	—	—	—
40	29	Endeavour 20c	30½	−½	—	—	—
500	310	G. M. Kalgoorlie 25c	400	+10	†Q13c	♦	1.7
25	11	Great Eastern	11	......	—	—	—
275	180	Hampton Areas 10p	200	−10	†2.5	2.4	1.8
168	58	Haoma Gold N.L.	58	......	—	—	—
85	42	Intl. Mining	48	......	—	—	—
245	140	Kitchener NL 25c	155	+5	—	—	—
105	45	Leichardt Expln.	50	......	—	—	—
430	275	Meekatharra	340	......	—	—	—
70	49	Metals Ex. 50c	57	−1	¶Q3c	2.9	2.7
38	20	Metramar Mns. 20cts.	34	......	—	—	—
267	190	M.I.M. Hldgs. 50c	255	−1	‡Q7.6c	1.7	‡
21	12½	Minefields Expl. 25c	12½	......	—	—	—
115	83	Mount Lyell 25c	115	......	♦Q15c	1.7	6.8
20	14	Newmetal 20c	14	−1	—	—	—
69	41	Nickelore N.L.	59	......	—	—	—
204	149	North B. Hill 50c	177	+1	Q18c	3.1	5.3
84	50	Nth. Kalgurli	60	+1	—	—	—
175	94	Nth. Mining Corp.	144	......	—	—	—
122	46	N. West Mining N.L.	46	......	—	—	—
148	106	Oakbridge 50c	128	−2	‡Q12c	1.1	4.8
185	138	Otter Ex. N. L.	150	......	—	—	—
186	164	Pacific Copper	178	......	—	—	—
605	475	Pancont'l 25c	515	−5	—	—	—
70	42	Paringa M&Ex. 5p	63	−1	♦	—	—
525	375	Peko-Wallsend 50c	510	+5	♦Q22½c	♦	2.3
43	27	Pelsart Res NL	36	−1	—	—	—
120	85	Seltrust A	110	......	—	—	—
157	34	Southern Pacific	55	−1	—	—	—
72	40	Swan Resources 20c	40	......	—	—	—
18	9½	West Coast 25c	9½	−1	—	—	—
300	227	Westn. Mining 50c	269	−1	Q14c	1.6	2.7
27	16½	Westmex	16½	......	—	—	—
76	50	Whim Creek 20c	50	......	—	—	—
101	68	York Resources	69	−1	—	—	—

Tins

1981 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
16	10	Amal Nigeria 1p	11	......	‡6.0	—	—
300	255	Ayer Hitam $M1	255	......	‡Q35c	1.8	‡
67	54	Beralt Tin	66	......	5.0	♦	10.8
155	125	Geevor	125	......	‡8.4	1.9	‡
10	8	Gold & Base 12½p	9½	......	—	—	—
660	556	Gopeng Cons.	565xd	......	‡30.0	1.8	‡
450	360	Hongkong	360	......	21.0	♦	8.3
125	115	Idris 10p	118	......	26.0	♦	7.3
15	13	Jantar 12½p	15	......	1.5	♦	14.3
98	85	Kamunting $M0.50	85	......	‡Q80c	1.0	‡
775	545	Killinghall $M1	775	......	Q100c	♦	2.5
114	88	Malay Dredging 10c	114#	......	♦hQ38c	0.9	6.4
68	30	Pahang	65	−1	0.48	0.9	1.0
103	90	Pengkalen 10p	90xd	......	3.5	0.6	5.6
380	340	Petaling $M1	340	......	Q180c	1.4	10.2
25	19	South Crofty 10p	24#	......	‡1.0	4.4	‡
225	200	Sungei Besi $M1	210	......	‡Q480c	1.1	‡
180	95	Supreme Corp. $M1	175	−5	‡Q15½c	♦	1.7
118	116½	Tanjong 15p	118	......	21.5	♦	1.8
90	75	Tongkah H. Tin $Sm	75	......	Q23%	0.4	6.1
410	350	Tronoh $M1	360	......	‡Q250c	0.7	‡

Copper

1981 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
300	165	Messina R0.50	300	......	Q45c	4.7	8.6

Miscellaneous

1981 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
175	142	Anglo-Dominion	165	−5	—	—	—
55	40	Barymin	45	......	—	—	—
24	14	Burma Mines 10p	20	+1	0.75	0.9	5.4
315	180	Colby Res. Corp.	220	......	—	—	—
270	200	Cons. Murch. 10c	270	......	‡Q30c	1.8	6.4
98	75	††Hemerdon 10c	83	−2	—	—	—
180	135	Highwood Res.	150	−5	—	—	—
400	300	Northgate C$1	350	+10	—	—	—
580	372	R.T.Z.	554	+26	16.0	3.2	4.2
£125	£93½	Do. 9½% Cv. Uns. Ln. '95-2000	£123	+3	Q9½%	—	‡8.1
143	110	††SPO Minerals 10p	110	−2	—	—	—
47	33	Sabina Inds. C$1	34	......	—	—	—
39	28	††SWCM 10p	38	−1	—	—	—
550	465	Tara Exptn. $1	500	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♀ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ●● Regional price.
- || No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ★★ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. x Prospective real rate of return. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −
Albany Inv. 20p	43	......
Bertam	14	......
Bdg'wtr. Est. 50p	460	......
Craig & Rose £1	£11¼	......
Fife Forge	61	......
Finlay Pkg. 5p	20	......
Graig Ship. £1	£20	......
Higsons Brew	73	+3
Holt (Jos) 25p	460	+10
I.O.M. Stm. £1	157	......
Pearce (C. H.)	£10	......
Peel Hldgs.	100	......
Sheff. Refrshmt	101	......
Sindall (Wm.)	175	......

IRISH	Price	+ or −
Conv. 9% '80/82	£93⅝	......
Nat. 9¾% 84/89	£75½	......
Fin. 13% 97/02	£80¼	......
Alliance Gas	78½	−½
Arnott	255	......
Carroll (P.J.)	88	......
Concrete Prods.	95	......
Heiton (Hldgs.)	28	......
Ins. Corp.	395	......
Irish Ropes	53	......
Jacob	50	......
T.M.G.	30	......
Unidare	100	......

OPTIONS

3-month Call Rates

Industrials	
A. Brew	6½
BOC Intl.	11
B.S.R.	4½
Babcock	11
Barclays Bank	36
Beecham	15
Blue Circle	35
Boots	20
Bowaters	24
Brit. Aerospace	14
B.A.T.	25
Brown (J.)	7
Burton Ord.	12
Cadburys	7½
Courtaulds	6
Debenhams	8
Distillers	17
Dunlop	7½
Eagle Star	22
F.N.F.C.	3½
Gen. Accident	30
Gen. Electric	60
Glaxo	28
Grand Met	14
G.U.S. 'A'	44
Guardian	32
G.K.N.	16
Hawker Sidd	25
House of Fraser	14
I.C.I.	20
"Imps"	7
I.C.L.	6
Ladbroke	30
Legal & Gen.	20
Lex Service	10
Lloyds Bank	28
"Lofs"	4½
London Brick	7
Lucas Inds.	18
"Mams"	20
Mrks. & Spncr.	9
Midland Bank	26
N.E.I.	7
Nat. West. Bank	32
P & O Dfd.	13
Plessey	30
Racal Elect.	34
R.H.M.	5
Rank Org. Ord.	18
Reed Intnl.	20
Sears	5
Tesco	5½
Thorn EMI	30
Trust Houses	18
Tube Invest.	18
Turner & Newall	10
Unilever	50
Utd. Drapery	6½
Vickers	15
Woolworths	5

Property	
Brit. Land	8
Cap. Counties	11
Land Secs.	37
MEPC	20
Peachey	15
Samuel Props.	13
Town & City	2¼

Oils	
Brit. Petroleum	36
Burmah Oil	16
Charterhall	9
KCA	22
Premier	10
Shell	34
Tricentrol	30
Ultramar	44

Mines	
Charter Cons.	21
Cons. Gold	45
Lonrho	9
Rio T. Zinc	46

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 22

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

FINANCIAL TIMES
Saturday May 9 1981

MAN OF THE WEEK

Meeting the customer

BY GARETH GRIFFITHS

MR. TERRY WIGLEY, one of the J. Sainsbury supermarket chain's most successful store managers, left the organisation in 1978 after 12 years. A year later he was back because he could not stand life outside the group.

Mr. Wigley manages the Sainsbury store at South Woodford, London, which has been open for a year and has an annual turnover of £15m. He is young (32) serious, enthusiastic and totally committed to the success of his store. "The company's success has got to be down to the guy who meets the customers," he says.

Sainsbury's is certainly successful. Turnover last year rose by nearly 30 per cent, sales volume up by 17.3 per cent and pre-tax profits announced this week were almost 43 per cent better at £65.8m. The company generally sells twice as much per square foot of space as the food industry generally and South Woodford's sales average of £14.70 is nearly three times as much as the industry average of £5 a square foot.

Mr. Wigley is typical of the new style manager at Sainsbury's. He was trained within the group, is mobile and pre-

Mr. Terry Wigley
His working day is from 7.45 am to about 6.30 pm.

pared to change his store quite frequently. believes passionately in good customer relations and subscribers to the frequently expressed remark of Sir John Sainsbury, the group's chairman, that the company comprises "traditionalists with a passion to innovate."

The rapid expansion of the group has provided a career escalator for people like Terry Wigley. New stores being opened means new management posts and affords for someone like him, the chance to jump the promotion ladder to district manager

In common with the rest of Sainsbury's 19,000 employees, he will gain from the company's profit sharing scheme. This year he will get more than £500 on top of a salary of around £12,000, a company car and private medical insurance for his family and himself.

The store's location certainly helps sales. South Woodford is a middle-class London suburb which is prime territory for Sainsbury's slightly up market image. The majority of Mr. Wigley's 21,000 customers a week drive to the store, park their cars in the store car park, spend an average £11.50

Sainsbury's is a demanding company to work for. Mr. Wigley's working day starts at 7.45 am and will last on average until 6.30 pm with no free weekends because Saturday is a crucial day in the store and days off have to be taken in the week.

He is a great believer in self motivation. Head office supplies him with guidelines on store lay-out, the products to sell and pricing policies but he has control of his budget and personnel policies.

Most of the time Mr. Wigley is out on the shop floor, talking to staff and customers. On average 60 shoppers a day approach him to ask questions as varied as whether the shop stocks tinned bamboo shoots among its 6,500 different product lines, or if there is some mistake on the pricing of duck portions.

Much of the pressure to improve the store is self-created and Mr. Wigley sets himself targets which can range from increasing staff skills to ways of making the store more attractive. Local management has no say in what foods are sold as this is determined centrally

This close identification with the store's problems often spills over in the drive home to the Wigley home in Potters Bar. "I will often think of the answer to a problem in the car and then write it down when I get home. But I like to keep work separate from family life as one would otherwise end up spending Sunday afternoons talking about Sainsbury's."

Spain considers tough laws to fight terrorism

BY ROBERT GRAHAM IN MADRID

TOUGH NEW measures were under consideration by the Spanish government last night to combat a wave of terrorist violence in the country.

Sr. Leopoldo Calvo Sotello, the Spanish Prime Minister, was preparing to speak to the nation on television at the end of a week which has claimed the lives of seven members of the armed forces and police.

There was speculation that he would threaten to introduce one of the three emergency measures permitted by the constitution—a state of alarm—emergency or seige. Full legislation covering the introduction of any of these measures has not been passed by parliament. Last night, however the main parties were meeting to consider a special parliamentary session to hurry them through.

Sr. Calvo Sotelo had lengthy consultations yesterday with his cabinet colleagues, and with the leader of the main opposition Socialist party, Sr. Felipe Gonzalez and the heads of the joint chiefs of staff.

Sr. Calvo Sotelo is under strong pressure from the military to show a firm and effective hand against the current wave of terrorism.

Since the abortive coup of February 23, there have been a series of outrages directed against military personnel, designed to provoke the armed forces.

The four main political parties brought forward a protest demonstration planned for next Tuesday.

At midday yesterday millions of Spaniards observed a two-minute silence to protest against the violence and as a gesture of sympathy for the victims.

In Madrid, all traffic stopped, church bells tolled and crowds came on to the streets in a moving display of feeling.

Members of the extreme Right refused to observe the protest, however, and in one part of central Madrid several hundred Fascists chanted slogans against democracy.

In central Madrid throughout the day armed police patrolled in strength—up to 100 police vans being stationed near the site of Thursday's and Monday's assassinations.

However, Thurday's order to troops to stay in barracks was rescinded.

The worst provocations have occurred this week. On Monday a leading Spanish general was killed in Madrid along with a policeman, while in Barcelona two para-military Guardia Civil were assassinated.

These four killings were pinned on the shadowy terrorist organisation GRAPO (first of October Anti-Fascist Resistance Groups).

On Thursday a bomb was thrown on to the roof of an army staff car by two youths on a motorbike. The explosion killed three members of the royal military entourage and seriously injured the head of the Royal Military household General Joaquin Valenzuela.

The attack was later claimed by the militant Basque separatist organisation ETA.

David White adds from Paris: Six young French Basques yesterday ended a four-week hunger strike at Bourges, in the centre of France, but 22 Spanish Basques held in other jails continued their fast.

Thatcher predicts recovery soon

BY RICHARD EVANS, LOBBY EDITOR

THE GOVERNMENT will fight the next general election on a platform of lower taxation, stable prices and industrial peace, the Prime Minister predicted yesterday in her most confident mood.

Mrs. Thatcher, whose optimism about economic prospects appears to grow with every speech, told the Scottish Conservative Party Conference at Perth that productive industry was now responding to the budget cuts in interest rates.

"Unless the stock markets have got it very wrong we are in for a dramatic recovery in the profitability of British industry in the months ahead," she said.

Earlier, as Mrs. Thatcher's car and its police escort pulled up at Perth Town Hall where the conference was held, a group of about 30 Scottish National Party supporters broke through police cordons to charge after her. They hurled eggs and stink bombs.

Mrs. Thatcher was ushered quickly into the building. Police quickly restored order.

The demonstrators shouted "Quisling" at Scottish Conservatives filing in to attend the meeting. Some carried banners saying "Scotland's folly—English rule."

On the day the Conservative Party was recovering from a mauling in the county and metropolitan council elections in England and Wales, the first priority of the Party leader was to maintain morale. Mrs. Thatcher's speech was essentially bullish.

After a detailed explanation of the reasons for tax increases in the Budget, and a claim that the Government's economic strategy was beginning to pay off, Mrs. Thatcher said: "I look forward to leading you into the battle for the renewal of our mandate, when the moment comes, against the background of more stable prices than we have known for a generation, of industrial peace and rising output, of shrinking dole queues and more moderate taxation."

The Prime Minister was convinced that the Government would, with good reason, be able to tell the electorate that the performance which Britain's Continental neighbours had achieved but which has so often eluded us, was at long last within our grasp.

First place among the achievements of her first two years in office was given by the Prime Minister to the "steady progress towards stability of prices and the restoration of sound money."

She admitted to disappointments, particularly with Northern Ireland. Mrs. Thatcher denied that the Government had been intransigent over Bobby Sands, the IRA hunger striker, as the political status he had sought simply could not have been granted.

Mrs. Thatcher launched a fierce attack on the Labour Party's commitment to withdrawal from the European Community. She argued that because of the Government's determination to make a success of membership it was in a much stronger position to insist upon the recognition of British interests.

The Prime Minister went on to attack the Labour Party for its attitudes towards industry and profits. She accused Labour leaders, especially Mr. Michael Foot, the Opposition Leader, of regarding the profitability of British industry as irrevelant.

Other speeches, Page 4

Chapple turns down state ballot funds

BY JOHN LLOYD, LABOUR CORRESPONDENT

THE GOVERNMENT'S last hope that the Employment Act might win limited acceptance from trade unions was dashed yesterday when Mr. Frank Chapple, general secretary of the Electrical and Plumbing Trades Union (EPTU), said it would not apply for state funds to finance postal ballots.

Mr. Chapple said the union's executive would not consider an application "worth the aggravation." A motion to be debated at the union's conference next week calls on the executive to "take advantage of the offer of public money"—but the executive is not bound to act upon the motion, if it is passed.

One reason for this is the surprise decision made this week by the Amalgamated Union of Engineering Workers' national committee not to take the money.

Mr. Chapple said the main reason the EPTU had considered applying for funds was its desire to express support for similar action by the engineers.

Mr. Chapple emphasised. that the union's executive was not opposed politically to taking the money. He said the issue had been surrounded by hipocrisy on the part ofthe unions. His own union would feel free to apply in the future if its financial position made it necessary.

It is doubtful whether the union will swing behind attempts by the Centre-Right to reverse the decision of the special Labour conference in January to elect the leaders and deputy leader of the party through an electoral college 40 per cent of which would come from trade unions, with 30 per cent each from MPs and local parties.

He said the union wanted the choice of leader to be left to MPs, or to individual Labour Party members. All other formulae appeared more or less equally unattractive.

The union is certain to support Mr. Denis Healey against Mr. Tony Benn in the contest for the party's deputy leadership. However, Mr. Chapple said he believed Mr. Benn had a good chance of winning.

Left *v* moderate

Continued from Page 1

landslide to Labour, many of the new members being Left, and there is serious doubt about the moderate group's ability to secure control.

Greater Manchester and Merseyside face similar but less obvious conflicts and the Left is already firmly entrenched in South Yorkshire.

The rise of the Left in the major urban areas appears to have been a more significant result of the poll on Thursday than the collapse of the Tory vote in the North and Midlands.

Mr. Heseltine said: "There is now a brand of extremists in the Labour Party which actually wants to disrupt constitutional relationships in this country. I am deeply concerned that they are going to use their power base in local government in order to challenge the elected government of the country."

The initial response of senior Ministers to the Labour gains was an assurance that the Government's economic strategy would remain unchanged. Lord Thorneycroft, the Party chairman, insisted the Government would not change its policies "one jot or tittle."

Many Conservative leaders were claiming to be relieved that the results had not been worse.

Although the Liberals did not achieve their target of 400 seats, the party was well pleased with its performance particularly in London where it won Richmond

Continued from Page 1

British Gas fights

Energy's inability to impose the Government's views on him. The Prime Minister is said to be very annoyed by Sir Denis's attitude and now the Department of Energy appears to be losing patience too.

When the Treasury first started looking for public sector assets to sell, it seized on Wytch Farm, arguing that British Gas had no role in oil exploration. The corporation managed to head off the idea —partly by agreeing to help the Government's funding problems by giving it £190m. in lieu of the proceeds it might have got from a sale. The corporation argued forcibly that, as a hydrocarbon company, its oil interests were an integral part of its business.

The Department of Energy had some sypmathy with British Gas's reluctance to sell Wytch Farm, and it came up with the scheme under which the corporation would have put its oil interests into a separate company in which it would have retained a minority stake. But in the last few weeks, British Gas has apparently indicated that it does not believe there is any point in discussing this idea further.

Continued from Page 1

St. Piran

tion the courts to wind up the company.

Mr. Biffen rejected the advice of Department of Trade inspectors that steps should be taken by the department to wind up the company. "The department could not justify incurring the costs and responsibilities of the petition," he said earlier this week.

The Gencor petition will be issued in the English companies court early next week, and is expected to be served shortly after on Saint Piran. After that, it could take up to three or four weeks before the case comes before a court.

Protection for pension rights urged

By Eric Short

BETTER PROTECTION of the pension rights of employees on changing jobs has been recommended by the Occupational Pension Board. But in a Commons written reply yesterday Mr. Patrick Jenkin, Social Services Secretary, warned about the extra cost of the board's recommendation.

The board monitors company pension schemes for the Government. In 1978 it was asked by Mr. David Ennals, Social Service Secretary in the previous Labour Government, to investigate the problems of maintaining pension rights on the change of employment.

At present, employees who change jobs have their pension rights with their old employers preserved on the basis of years in service with that employer and their salary at the time of leaving. This pension is paid at retirement and there is no obligation to increase the pension to take account of inflation.

The board said employees who leave their employment before retirement should not be treated less favourably than those who remain with the employer until pension age. A majority of the board recommended that the preserved pension be revalued each year in line with earnings up to a ceiling of 5 per cent a year.

A minority report called for revaluation in line with national average earnings and if there was a statutory limit it should be 8½ per cent. This recommendation would be in line with the present system of revaluing state benefits when a person changes jobs.

In his written reply Mr. Jenkins said: "The report raises complex issues, not least about the cost to employers.

"At a time when company profits are under intense pressure it is not easy to see how the extra costs could be absorbed."

All the report's recommendations would have to be studied in detail and the Minister promised to make another statement about it "in due course."

The warning by Mr. Jenkins about the cost of the proposal reinforces one made by Sir Geoffrey Howe, the Chancellor, on Thursday. He told the annual conference of the National Association of Pension Funds in Birmingham that the cost of providing pensions for retired people could become an unsustainable burden on the working population.

At the same time he said there was a lack of equity between those who moved jobs and those who did not.

Pension funds reject participation code, Page 3

Weather

UK TODAY

RAIN reaching Southern England in the morning will move steadily North reaching Scotland by evening.

London, S. and S. W. England, Channel Isles

Outbreaks of rain, heavy for a time, later becoming showery and brighter with fresh E. wind. Max. 16C (61F).

E. Anglia, Wales, the Midlands, N. England

Fog clearing with rain spreading North. Wind moderate. Max. 16C (61F).

S. W. Scotland, Ulster

Cloud thickening, giving rain later. Max. 16C (61F).

N. E. England, Borders, E. Scotland

Rain later with variable easterly wind. Max. 14C (57F).

The Highlands

Cloudy with rain becoming drier. Max. 12C (54F).

Outlook: Showers or longer outbreaks of rain.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	18	64	Locarno	F	20	68
Algiers	F	22	72	London	C	16	61
Amsdm.	R	14	57	L. Ang.†	F	14	57
Athens	S	19	66	Luxmbg.	C	14	57
Barcina.	S	18	64	Luxor	S	29	84
Beirut	F	20	68	Madrid	F	16	61
Belfast	F	14	57	Majorca	F	19	66
Belgrd.	F	19	66	Malaga	F	20	68
Berlin	S	19	66	Malta	F	20	68
Biarritz	F	17	63	M'chstr	C	16	61
Bmghm.	C	16	61	Melbne.	C	15	59
Blackpl.	C	16	61	Miami†	F	22	72
Bordx.	C	16	61	Milan	F	20	68
Boulgn.	F	12	54	Montrl.†	F	8	46
Bristol	F	15	59	Moscow	T	16	61
Brussels	C	16	61	Munich	C	15	59
Budpst.	S	22	72	Nairobi	C	21	70
Cairo	F	24	75	Naples	F	19	66
Cardiff	S	16	61	Nwcstl.	C	17	63
Cas'b'ca	F	21	70	N. York†	F	11	52
Cape T.	F	24	75	Nice	F	19	66
Chicg.†	F	4	39	Nicosia	S	20	68
Cologne	C	18	64	Oporto	R	13	55
Cpnhgn.	S	16	61	Oslo	F	14	57
Corfu	S	21	70	Paris	R	15	59
Denver†	F	3	37	Perth	S	24	75
Dublin	F	13	55	Prague	S	20	68
Dbrvnk.	S	19	66	Rykjvk.	S	2	36
Ednbgh.	C	16	61	Rhodes	S	19	66
Faro	F	18	64	Rome	F	19	66
Florence	C	9	48	Salzbrg.	S	19	66
Frankft.	F	18	64	S'ciscot	F	8	46
Funchal	C	18	64	Stckhm.	S	16	61
Geneva	C	18	64	Strasbg.	S	17	63
Gibrltr.	F	20	68	Sydney	F	19	66
Gl'sg'w	C	15	59	Tangier	C	20	68
G'rnsey	F	13	55	Tel Aviv	F	20	68
Helsinki	S	14	57	Tenerife	S	20	68
H. Kong	S	29	85	Tokyo	S	25	77
Innsbrk.	F	22	72	T'r'nto†	F	6	43
Invrnss.	F	18	66	Tunis	S	22	72
I.o.Man	F	12	54	Valencia	F	23	73
Istanbul	R	13	55	Venice	F	19	66
Jersey	S	16	61	Vienna	S	19	66
Jo'burg	C	16	61	Warsaw	C	12	54
L. Plms.	F	21	70	Zurich	F	19	66
Lisbon	F	15	59				

C—Cloudy. F—Fair. R—Rain. S—Sunny. T—Thunder.
† Noon GMT temperatures.

THE LEX COLUMN

Grannies cheer up the Dog days

Masterly inactivity is the new Government Broker's trade mark. Having refused to be panicked earlier in the week into cutting the price of his short tap, Treasury 11¾ per cent 1985, he left the gilt-edged market without a long tap yesterday afternoon. So gilts were able to continue their convalescence, especially since the news from across the Atlantic was less appalling than it had been.

During the European day, at least, dollar interest rates were slightly lower, and the U.S. Treasury Secretary was making remarks about their eventual return to a reasonable level. This was enough to suggest that the U.S. money supply figures—which the gilt-edged market finds more interesting than sterling M3 at the moment — might not be too bad.

The sale of £500m of National Savings in four weeks, helped by 50-year-old grannies, takes away any immediate pressure for heavy funding, and gilt-edged prices rose by around ¾ point. Next week's performance will be heavily dependent on the course of the U.S. bond market, and there could be some final distress before that disastrous issue, Exchequer 12¼ per cent 1990, the infamous "Dog," becomes fully paid on Friday.

Equities, for a change, have been following the pattern of gilt-edged in the past week. With the gap between yields on gilts and equities already stretched beyond normal breaking strain, share prices had to react very sharply when gilt yields rose, and they did. Fund managers, fearful last week of being out of the market, suddenly became profit takers as the 30-Share Index fell by more than 5 per cent from the end-April high. But there was a steadier look yesterday.

Companies like Tootal, GKN and BSR have begun to talk openly about the potential for more profitable trading later this year. But these hints were already fully discounted in the market's earlier rise. And little by little the stock shortage which seemed so acute is starting to be relieved by a steady stream of rights issues which is likely to stretch well into the summer.

Index rose 4.7 to 569.3

St. Piran

Full chips to Gencor. Its last-minute intervention in the affairs of St. Piran will be welcomed with shouts of relief from the City establishment and, perhaps, sheepish grins from the Department of Trade.

Gencor, with just 70,000 shares in St. Piran, is acting in support of a principle which the Trade Secretary—for all his regulatory responsibilities—did not think merited costly litigation. The principle at stake is whether a man who has been slated in the most forceful terms by the City authorities and criticised by Department of Trade inspectors should be allowed to ignore accepted codes of behaviour.

Gencor, which says that it is acting completely independently, makes a slightly improbable white knight. It is a South African group which had a brush of its own with the Takeover Panel in 1974. It has other Cornish mining interests to consider, though, since its owns nearly a fifth of Geevor Tin.

It cannot get anywhere, however, unless minority shareholders hold out against the present bid for St. Piran. What is badly needed now is the defence document, which must give some idea of how much the company is really worth.

Meanwhile the Stock Exchange's decision to suspend the listing in South Crofty and Milbury, the two quoted subsidiaries of St. Piran, is a logical follow-up to its suspension of St. Piran itself last June. Yet it is hard to avoid a sneaking feeling that the Exchange, having made its point very strongly over the last year should have let things be for the moment. It is not clear that this move will harm anyone apart from the minority shareholders in the two companies.

Barratt

Barratt Developments has not used up all its marketing flair in selling houses. Just a little has been directed at the City, to polish up an image which only last year was looking a little shabby. With this year's fall in interest rates boosting the building sector, the shares have doubled, and having finished the brickwork Barratt can now put the roof on with a 1-for-4 rights issue to raise £22½m gross.

It is not Barratt's UK housebuilding side which needs financial support: business in the north of the country is generating enough cash to finance Barratt's push into the south-east. But there is nothing over for acquisitions, and Barratt has been spending a lot of money both on investment properties and on U.S. building companies, which have brought their own debt into its balance sheet.

Borrowings have risen from £53m last June to £92m in late April, and even with a £15m seasonal fall this month and next, debt in Barratt's 1981 balance sheet could have been pushing 80 per cent of shareholders' funds, and there will be a further $16m outflow as one of the U.S. purchases is completed after the year end.

This year's profits are likely to show little growth from the 1979-80 level. But that will still rank as a fine performance, and 1981-82 might bring a bounce in margins and volume big enough (along with higher property earnings) to prevent any fall in earnings per share. The ex-rights yield is 8.1 per cent and Barratt's recent dividend record is excellent. But this is the third time it has asked shareholders for cash since 1975.

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صورة الأصل